Rights offering Prospectus

23 March 2016

delta lloyd

IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE LOCATED OUTSIDE OF THE UNITED STATES OR WHO ARE QUALIFIED INSTITUTIONAL BUYERS ("**QIBS**") AS DEFINED IN RULE 144A UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT"**) OR OTHERWISE TO PERSONS TO WHOM IT CAN BE LAWFULLY DISTRIBUTED.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus (the "**Prospectus**") following this page and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Company (as defined in the Prospectus), and the Underwriters (as defined in the Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your representation: The Prospectus is being provided to your at your request and by accepting electronic delivery of this document, and in order to be eligible to view the attached Prospectus or make an investment decision with respect to the securities being offered, you are deemed to have represented to the Company and the Underwriters: (i) that (a) you and any customers you represent are located outside the United States (as defined in Regulation S under the Securities Act) and any electronic mail address that you gave us and to which the Prospectus may have been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia; or (b) you are in the United States and a QIB acquiring the securities referred to herein for your own account and/or for another QIB and that you consent to delivery of such Prospectus by electronic transmission; (ii) that if you are in any member state of the European Economic Area ("**EEA**") other than the Netherlands or Belgium, you are a Qualified Investor; (iv) that the securities acquired by you have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer or any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors; and (v) that if you are outside the United States, EEA, the Netherlands and Belgium (and the any electronic mail address that you gave us and to which the Prospectus may have been delivered is not located in such jurisdictions) you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. In each of (i) – (v), you are deemed to have a agreed that you may not, nor are you authorised to, deliver this Prospectus to any other person.

You are reminded that this Prospectus has been provided to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials in this electronic transmission relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation to persons other than the specified categories of institutional buyers described herein and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described herein. . If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Underwriter(s) or any affiliate thereof is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Underwriter(s) or such affiliate on behalf of the Company in such jurisdiction.

This electronic transmission, the Prospectus and the offer are only addressed to and directed at persons in member states of the EEA, other than the Netherlands and Belgium, who are ''qualified investors'' within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU to the extent implemented in a relevant EEA Member State) (''**Qualified Investors''**). In addition, in the United Kingdom, this electronic transmission and the Prospectus are each being distributed only to, and are directed only at, Qualified Investors (i) who are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the ''**Order''**), or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; and (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as ''relevant persons''). This electronic transmission and the Prospectus must not be acted on or relied on (a) in the United Kingdom, by persons who are not relevant persons and (b) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors. Any investment or investment activity to which this Prospectus relates is available only to relevant persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons.

The Prospectus has been provided to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company and the Underwriters, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus provided to you in electronic format and a hard copy version that may be available to you on request from the Underwriters. By accessing this document, you consent to receiving it in electronic form.

None of Underwriters, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the issuer or the offer. The Underwriters and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in the Prospectus.

The Underwriters are acting exclusively for the Company and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of the Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

delta lloyd

Delta Lloyd N.V.

a public limited liability company (*naamloze vennootschap*) incorporated in the Netherlands
with its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands

Rights offering of 227,567,943 new ordinary shares at an issue price of EUR 2.85 per ordinary share

This document (including the documents incorporated by reference herein, the "Prospectus") relates to the offering by Delta Lloyd N.V. (the "Company") of 227,567,943 new ordinary shares with a nominal value of EUR 0.20 (the "Ordinary Shares"), each at an issue price of EUR 2.85 (the "Issue Price") per offer share (the "Offer Shares"). Subject to applicable securities laws and the terms set out in this Prospectus, the holders of Ordinary Shares (the "Shareholders") at the Record Date (as defined below) are being granted transferable subscription rights to subscribe for the Offer Shares pro rata to their shareholding in the Company. Shareholders as of the Record Date and subsequent transferees of the Rights (as defined below), in each case who are able to give the representations and warranties set out in "*Selling and Transfer Restrictions*", are "Eligible Persons" with respect to the Rights Offering (as defined below).

The offering (the "Offering") comprises: (1) the rights offering (the "Rights Offering") in which Shareholders as of 17:40 Central European Time or, when applicable, Central European Summer Time ("CET") on 23 March 2016 (the "Record Date") will be granted one transferable subscription right for each existing Ordinary Share held on that date (the "Rights", and together with the Offer Shares, the "Offer Securities") to subscribe for Offer Shares at the Issue Price, and (2) the rump offering (the "Rump Offering"), in which Offer Shares for which Rights have not been validly exercised during the Exercise Period (as defined below) (the "Rump Shares") may be sold at the Rump Offering Price (as defined below). The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of the Shareholders in respect of the Offering have been excluded.

The Rights Offering will be made by way of (1) a public offering in the Netherlands and Belgium, in reliance on Regulation S ("Regulation S") under the US Securities Act of 1933, as amended (the "Securities Act"), (2) private placements to certain institutional investors outside the United States of America (the "United States" or "US") in reliance on Regulation S and in accordance with applicable securities laws and (3) private placements in the United States only to qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") in transactions that are exempt from the registration requirements of the Securities Act. For a description of restrictions on transfer and resale, see "*Notice to Prospective Investors in the United States*" and "*Selling and Transfer Restrictions*". The Rump Offering will be made by way of (1) private placements to certain institutional investors outside the United States in reliance on Regulation S under the Securities Act and in accordance with applicable securities laws and (2) private placements only to QIBs in the United States pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Subject to the terms and conditions set out in this Prospectus, Shareholders as of the Record Date will be granted one Right per Ordinary Share held. The exercise of one Right entitles the exercising holder to subscribe for one Offer Share, against payment of the Issue Price per Offer Share. On 21 March 2016, the closing price of the Ordinary Shares was EUR 6.03 per Ordinary Share on Euronext in Amsterdam, the regulated market operated by Euronext Amsterdam N.V. ("Euronext Amsterdam") and on Euronext in Brussels, the regulated market operated by Euronext Brussels SA/NV ("Euronext Brussels"). The Issue Price represents a discount of 35.8% to the theoretical ex-rights price ("TERP"), based on the closing price of EUR 6.03 per Ordinary Share on Euronext in Amsterdam on 21 March 2016 and 228,614,612 Ordinary Shares issued and outstanding at the same date. The TERP is EUR 4.44.

Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Rights Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 49.9% as a result of the issue of the Offer Shares. **The latest date for acceptance under the Rights Offering is expected to be 14:00 CET on 7 April 2016, with admission and commencement of dealings in Offer Shares to be expected to take place at 09:00 CET on 11 April 2016.**

The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring subscribers (including any value added tax) (the "Rump Offering Price"). The Rump Offering Price, if applicable, is expected to be determined following an institutional book building procedure on or about 7 April 2016 and is expected to be published on or about 8 April 2016.

Subject to the satisfaction of certain conditions as set forth in the Underwriting Agreement (as defined herein), the Offering has been underwritten by an underwriting syndicate led by Goldman Sachs International (the "Global Coordinator"), Merrill Lynch International and Barclays Bank PLC (together with Merrill Lynch International and the Global Coordinator, the "Joint Bookrunners"), ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank) (together with ABN AMRO Bank N.V., the "Co-Managers" and, together with the Joint Bookrunners, the "Underwriters"). If any or all of the conditions of the Offering are not met or waived by the Joint Bookrunners, acting jointly, on behalf of the Underwriters prior to payment for and delivery of the Rump Shares, or if certain circumstances occur prior to payment for and delivery of the Rump Shares, the Joint Bookrunners, on behalf of the Underwriters may, at their discretion, terminate the Rump Offering and the Underwriters' obligation to subscribe for any Rump Shares. In such event, the Offering will be withdrawn and both the exercised and unexercised Rights will be forfeited without compensation to their holders and subscription for and allotments of Offer Shares that have been made will be disregarded. Any subscription payments received by the Company, the Subscription, Listing and Paying Agent or the Underwriters will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. All trades in Rights and Offer Shares prior to the settlement date for the Offering (the "Settlement Date"), which is expected to be 11 April 2016, are at the sole risk of the parties concerned. The Underwriters, the Company, the Subscription, Listing and Paying Agent, Euronext Amsterdam and Euronext Brussels do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights or Offer Shares on Euronext in Amsterdam or Euronext in Brussels. For more information regarding the conditions of the Offering and the consequences of any termination or withdrawal of the Offering, see "*The Offering*".

The Rights are expected to be traded on Euronext in Amsterdam and Euronext in Brussels under the symbol "DLRI" during the period from 9:00 CET on 24 March 2016 through 17:40 CET on 6 April 2016 (inclusive), barring unforeseen circumstances (the "Rights Trading Period"). Holders of Rights wishing to subscribe for new Offer Shares must exercise their Rights during the period from 9:00 CET on 24 March 2016 through 14:00 CET on 7 April 2016 (the "Exercise Period"). Exercised rights cannot be revoked or modified, except in certain circumstances. For more information, see "*The Offering*". Rights may be exercised only in integral multiples of the subscription ratio. Rights not validly exercised during the Exercise Period, including Rights in excess of the nearest integral multiple of the subscription ratio, will no longer be exercisable outside such period. The Company expects that the Offer Shares will be admitted to listing and trading on Euronext in Amsterdam and Euronext in Brussels and that trading will commence at 09:00 CET on or about 11 April 2016 under the current symbol "DL", barring unforeseen circumstances.

The Offer Securities will be delivered through the book-entry systems of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under Euroclear Nederland ("Euroclear Nederland"), in accordance with its normal settlement procedures applicable to equity securities.

Investing in the Offer Securities involves risks. For a discussion of material risks which the investors should consider before exercising their Rights or investing in the Offer Securities, see "*Risk Factors*" beginning on page 82.

The Offer Securities have not been and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and such securities may be offered, sold, exercised or otherwise transferred only: (i) outside the United States in offshore transactions in reliance on Regulation S; or (ii) within the United States to QIBs as defined in Rule 144A in transactions that are exempt from the registration requirements of the Securities Act. There will be no public offer of the Offer Securities in the United States. Purchasers are hereby notified that the Company and other sellers of the Offer Securities are relying on an exemption from the registration requirements of Section 5 of the Securities Act, which may include Rule 144A or Regulation S thereunder. For a description of restrictions on transfer and resale, see "*Notice to Prospective Investors in the United States*" and "*Selling and Transfer Restrictions*".

This document constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, the "Prospectus Directive") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder (the "Dutch Financial Supervision Act"). The Prospectus has been filed with and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "AFM"). The AFM has been requested to provide the Belgium Financial Services and Markets Authority (the "FSMA") with a certificate of approval attesting that the Prospectus has been drawn up in accordance with Regulation 809/2004/EC, as amended.

Global Coordinator and Joint Bookrunner

Goldman Sachs International

Joint Bookrunners

BofA Merrill Lynch **Barclays**

Joint Co-Managers

ABN AMRO **Rabobank**

This Prospectus is dated 23 March 2016.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Securities offered hereby have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, exercised or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the Offer Securities are being made available (i) in the United States, to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable state securities laws, and (ii) outside the United States, in offshore transactions in accordance with Regulation S. Any Offer Securities offered and sold in the United States will be subject to certain transfer restrictions as described in this Prospectus. By accepting delivery of this Prospectus or exercising Rights or purchasing the Offer Shares, prospective investors will be deemed to have made the acknowledgements, representations and warranties set out in "*Selling and Transfer Restrictions—Transfer Restrictions*".

The Offer Securities offered hereby have not been recommended by the United States Securities and Exchange Commission or any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

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SUMMARY (English)

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1—E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable".

Section A—Introduction and warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to this document (including the documents incorporated by reference herein, the "Prospectus") relating to the issuance of 227,567,943 new ordinary shares of Delta Lloyd N.V. (the "Company", and, together with its subsidiaries, the "Group") with a nominal value of EUR 0.20 (the "Ordinary Shares") at an issue price of EUR 2.85 (the "Issue Price") per offer share (the "Offer Shares"). Subject to applicable securities laws and the terms set out in this Prospectus, the holders of Ordinary Shares (the "Shareholders") at the Record Date (as defined in E.3 below) are being granted transferable subscription rights to subscribe for the Offer Shares (the "Rights") pro rata to their shareholding in the Company (the "Rights Offering"). The offering (the "Offering") comprises: the Rights Offering and the rump offering which is described in E.3 below (the "Rump Offering"). Any decision to invest in the Offer Shares (together with the Rights, the "Offer Securities") should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area ("EEA"), have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Securities.
A.2	Consent, indication, conditions and notice	Not applicable; there will be no subsequent resale or final placement of securities by financial intermediaries.

Section B—Issuer		
B.1	Legal and commercial name of company	Delta Lloyd N.V.
B.2	Domicile, legal form, legislation and country of incorporation	The Company is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of, and domiciled in, the Netherlands. The Company has its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands.
B.3	Key factors relating to the nature of the Group's operations and its principal activities	**SUMMARY OF THE BUSINESS** ***Introduction*** The Group is a financial services provider offering life insurance, pensions, general insurance, asset management and banking products and services within its target markets of the Netherlands and Belgium.

		The Group employs a multi-brand, multi-channel strategy in its target markets in order to position itself across different distribution channels and customer segments. The primary differences across the Group's four principal Dutch insurance brands, namely Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA, result from the positioning, pricing, marketing and distribution of their respective products. *Business Segments* The following are the Group's four core business segments, each of which is also a reporting segment in the Group's financial statements: • *Life Insurance*: The Group offers a range of products from simple insurance products to bespoke and often more sophisticated individual and group life insurance products, as well as basic savings and financial planning services through its multiple brands. Its core life insurance products include pension (in particular group life) products and administration services for group customers as well as traditional and unit-linked life insurance and savings products for individual customers. The Group offers individual and group life insurance in the Netherlands principally under the Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA brands, utilising different customer and pricing strategies through independent intermediaries, which include independent financial advisers, authorised agents (*volmacht agenten*, with respect to general insurance), actuarial consulting firms (with respect to group life insurance) and brokers (*beurs*) (together, "Intermediaries"), via a joint venture (ABN AMRO Levensverzekering) between the Group and ABN AMRO Bank N.V. (the Group's dedicated label for Bancassurance (as defined below)) and direct (OHRA) distribution channels. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes (second pillar) since 2011. BeFrank is a premium pension institution (*Premie Pensioen Instelling*, or "PPI"), which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. In Belgium, the Group sells individual and group life insurance primarily under the Delta Lloyd brand, with products distributed through brokers, banks and specialised employee benefits consultants. Life insurance generated EUR 2,683.7 million and EUR 2,626.6 million in gross written premiums ("GWP") in the years ended 31 December 2015 and 31 December 2014, respectively. • *General Insurance:* The Group offers a broad range of general insurance products, principally in the Netherlands, including motor, fire, liability, income and absenteeism and marine/pleasure craft insurance policies. The Group's general insurance products are distributed to both private and commercial customers in the Netherlands under the Group's three principal brands using distribution channels similar to those used for its life insurance operations. The Group also acts as a distributor of certain health insurance products underwritten by CZ (*Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep*, and *Onderlinge Waarborgmaatschappij CZ Groep*

		Aanvullende Verzekering Zorgverzekeraar), which are priced by the Group and sold under the Delta Lloyd and OHRA brands, for which the Group receives fees and commissions. General insurance generated EUR 1,354.7 million and EUR 1,336.7 million in GWP in the years ended 31 December 2015 and 2014, respectively. • *Asset Management:* The Group invests the Group's own risk assets and policyholder assets, provides investment management services to institutional pension fund mandates and manages a range of retail investment products, including investment funds. The asset management segment comprises the activities of Delta Lloyd Asset Management N.V. ("Delta Lloyd Asset Management" or "DLAM"). The Group's product offering includes a range of third-party investor funds for institutional and retail customers and discretionary mandates for institutional customers. In addition, it manages real estate funds on behalf of the Group and third-party investors. Delta Lloyd Asset Management manages certain assets on behalf of the Group's life insurance and banking business segments and has an advisory role in respect of other assets. Institutional fund sales take place primarily through the segments' dedicated sales force. For sales to retail investors, Delta Lloyd Asset Management generally relies on third-party banks in the Netherlands and Belgium, although a small portion of retail fund sales (unit-linked insurance) are distributed through the Group's own distribution channels. In the Netherlands, funds are distributed largely by Dutch retail banks, including ABN AMRO Bank N.V., Coöperatieve Rabobank U.A. (Rabobank) and ING Bank N.V. Assets under management were EUR 59.4 billion at 31 December 2015, of which EUR 23.8 billion were managed for third parties. At 31 December 2014, assets under management were EUR 72.1 billion, of which EUR 29.6 billion were managed for third parties. • *Banking*: The Group offers a limited range of banking products and services in the Netherlands. Products include mortgage loans, bank annuities, savings products and fund investments. These products are primarily distributed through Intermediaries. The Group's banking business is conducted through Delta Lloyd Bank Netherlands. The Group's banking business also provides mortgage services, mainly to other Group entities. The banking segment's phased-in common equity tier 1 ("CET1") ratio was 12.4% as at 31 December 2015. A "phased-in" ratio takes into account only those regulatory requirements as and when they become applicable (and not those known requirements that will become applicable in the future). In the Netherlands, the Group originates mortgage loans through Amstelhuys N.V. ("Amstelhuys"). Amstelhuys is a wholly-owned subsidiary of the Company, which is accounted for within the Group's corporate and other activities business segment and not within the banking business segment. The Group's banking business services the mortgages underwritten by Amstelhuys in return for a fee.

		The total mortgage loan portfolio of the Group at 31 December 2015 was EUR 13.3 billion, compared to EUR 16.7 billion (including mortgages at Delta Lloyd Bank België N.V. ("Delta Lloyd Bank Belgium") and Delta Lloyd Deutschland A.G. ("Delta Lloyd Deutschland")) at 31 December 2014. ***Multi-brand and Multi-channel*** The Group's four principal brands in the Netherlands are Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA. Through the Delta Lloyd brand, the Group primarily targets retail and commercial customers in the middle to premium range of the life and general insurance markets while distributing primarily through Intermediaries. Through the ABN AMRO Insurance brand, the Group has a dedicated label for Bancassurance. ABN AMRO Insurance primarily targets individuals, but also services a substantial group and commercial customer base, in the middle range of the life and general insurance markets, leveraging the distribution network of ABN AMRO, which includes bank branches, call centres, internet and mobile banking. The Group has had a joint venture with ABN AMRO Bank N.V. since 2003. Through the OHRA brand, the Group offers term life, general and health insurance products. These products are distributed primarily through direct distribution channels (including distribution through internet and mobile platforms). The Group plans to phase out the OHRA brand in relation to banking products and new business life, with the exception of term life, and instead utilise the Delta Lloyd brand. This is expected to take place during the course of 2016. BeFrank is a PPI, which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes since 2011. In Belgium, the Group distributes its insurance products through brokers, bank channels and specialised employee benefits consultants. The Group's banking business segment products are primarily distributed under the Delta Lloyd brand. The Group has extensive distribution networks and large customer bases in the Netherlands and Belgium, which the Company believes provides it with a platform for continued growth in mature markets. *Recent Developments* The Supervisory Board of the Company (the "Supervisory Board") intends to nominate two or three new members of the Supervisory Board to be appointed at the annual general meeting of shareholders (being the corporate body, or where the context requires so, the physical meeting, the "General Meeting") to be held on 19 May 2016. The Dutch Central Bank ("DNB") and the Netherlands Authority for Financial Markets (the "AFM") have already approved the planned appointment of one of them, who is a senior finance professional with board experience, over 25-years of experience in the UK Life business and a strong insurance and risk management background.

		Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate the second person because of its focus on IT, E-commerce, digital marketing and big data. Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate a third person, a senior insurance professional with a broad international senior management experience and a strong senior financial, commercial, strategic and general management background. The Company intends to issue press releases if and when the nominations occur. On 16 March 2016, the Company held an extraordinary general meeting at which the Shareholders resolved, amongst other things, to approve the Rights Offering. On 16 March 2016, Fubon Life Insurance Co., Ltd. ("Fubon") and the Company signed a heads of agreement agreeing that pending discussions concerning an enhanced partnership should continue and detailing certain arrangements which are intended to form the basis for further discussion (the "Fubon Heads of Agreement"). Fubon is a subsidiary of Fubon Financial Holding Co., Ltd., a financial holding company that offers financial services in Taiwan, Hong Kong and China, including banking, insurance and asset management. Under the Fubon Heads of Agreement: • Fubon committed to vote in favour of the Offering at the extraordinary general meeting and to exercise all Rights allocated to it in respect of its then current 7.13% shareholding in the Company, as well as in respect of any other Ordinary Shares acquired before the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights and will otherwise participate in the Offering on the same terms and conditions. • The Company agreed to nominate (through its Supervisory Board) one individual designated by Fubon to the Supervisory Board and recommend its Shareholders vote in favour of, and otherwise use reasonable best efforts to cause, the election of such Fubon designee to the Supervisory Board so long as Fubon maintains at least a 15% ownership position (on a fully diluted basis) in the Company, subject to (i) Fubon's nominee passing the suitability test (*geschiktheidstoets*) and reliability test (*betrouwbaarheidstoets*) of DNB and ECB and (ii) finalisation of the Company's mandatory employee consultation process. • If Fubon reaches a 15% ownership position (on a fully diluted basis), Fubon and the Company would promptly negotiate in good faith to enter into a relationship agreement on terms customary for other relationship agreements in the Dutch market, including customary standstill agreements (i.e. Fubon not increasing its shareholding above 20% without the prior written approval of the Company) and provisions relating to the exchange of information and Fubon's nomination rights described above. • The Company agreed to take all actions as may be reasonably requested by Fubon in order for Fubon to obtain clearance, including a declaration of no objection, from DNB and the ECB to increase its ownership above 10% and to reasonably support Fubon in obtaining the necessary legal and regulatory approvals in its home jurisdiction.

In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share.

Having obtained the prior agreement in principle of the Joint Bookrunners, the Company agreed with Fubon in the Fubon Heads of Agreement to cause the Joint Bookrunners to include Fubon as a sub-underwriter in connection with the Offering. However, Fubon has confirmed to the Company and the Joint Bookrunners that it decided not to participate as a sub-underwriter and, for the avoidance of doubt, will not receive any fee from the Company or Underwriters in respect of the Offering.

On 4 March 2016, a shareholder, Highfields Capital Management LP ("Highfields"), commenced inquiry proceedings (*enquêteprocedure*) before the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof Amsterdam*) (the "Enterprise Chamber") seeking an independent investigation (enquête) into the policy and affairs of the Company dating from 1 August 2015 and to have the Enterprise Chamber appoint an independent expert to conduct such investigation. Highfields' application to the Enterprise Chamber also contained a petition for immediate injunctive relief with the effect of prohibiting the vote on the Rights Offering at the extraordinary general meeting planned for 16 March 2016. Another shareholder, Fubon, filed a statement with the Enterprise Chamber supporting Highfields' requests on 10 March 2016, although it did not file a claim of its own. The Enterprise Chamber rejected Highfields' requests for immediate injunctive relief on 14 March 2016.

The Enterprise Chamber has not yet issued a judgment on Highfields' request to order an independent investigation into the policy and affairs of the Company. In view of the urgency of the matter, the hearing that took place on 14 March 2016 and the Enterprise Chamber's judgment of the same date only concerned Highfields' requests for immediate injunctive relief. The Enterprise Chamber has reserved judgment on the request for an independent investigation and a separate hearing will be scheduled to hear the parties' arguments with respect to this request.

On 24 February 2016, the Supervisory Board announced that it planned to appoint Leon van Riet (51) as member of the executive board of Delta Lloyd (the "Executive Board"). The Supervisory Board will inform shareholders of the planned appointment of Leon van Riet at the General Meeting to be held on 19 May 2016, which will be followed by his formal appointment by the Supervisory Board. Leon van Riet is to succeed Onno Verstegen, who resigned as member of the Executive Board on 1 February 2016. DNB and the AFM have approved the planned appointment. Leon van Riet held several positions within the Group as of 1999 and has been Managing Director of Delta Lloyd Levensverzekering N.V. ("DLL") since October 2010. Leon van Riet assumed his position at the Group as an upcoming member of the Executive Board on 1 March 2016.

On 23 December 2015, the Group announced that it had sold its retail portfolio to European Property Investors Special Opportunities 4 ("EPISO 4") for EUR 273 million. The sale comprised 15 retail centres and premises at prime locations in the Netherlands. With this sale the Group has divested its entire commercial property portfolio.

		On 16 November 2015, the Supervisory Board announced that it planned to appoint Clifford Abrahams as chief financial officer and member of the Company's Executive Board with effect from 1 January 2016. The Supervisory Board notified shareholders of the planned appointment at an extraordinary general meeting on 16 March 2016, following which Clifford Abrahams was formally appointed. On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands. On 21 August 2015, the Supervisory Board announced the appointment of Rob Ruijter to succeed Jean Frijns as Chairman of the Supervisory Board with effect from 1 October 2015. Rob Ruijter has been a member of the Supervisory Board since 2014. On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to the Chinese insurance company Anbang Insurance Group Co. Ltd ("Anbang"). The distribution agreement between Delta Lloyd Life NV/SA ("Delta Lloyd Life Belgium") and Delta Lloyd Bank Belgium was transferred to Anbang as part of the transaction. The sale of the Group's banking activities in Belgium was in line with the Group's strategy to strengthen its focus on insurance and selected banking products. On 16 March 2015, the Company announced that it had successfully completed an equity offering of 19.9 million new Ordinary Shares via an accelerated book build. A significant number of the shares issued in the offering were allocated to a single new investor (Fubon). The Company used the authorisation of the annual shareholders' meeting from May 2014 permitting the issue of new Ordinary Shares representing up to 10% of its issued share capital. On 24 February 2015, the Supervisory Board announced that it planned to appoint Annemarie Mijer-Nienhuis as chief risk officer and member of the Group's Executive Board from 21 May 2015. The Supervisory Board notified shareholders of the planned appointment at the annual shareholders' meeting on 21 May 2015, following which Annemarie Mijer-Nienhuis was formally appointed. In 2010, the Group's German life business, Delta Lloyd Deutschland, stopped selling new business and was placed into run-off. On 1 October 2015, the Group announced the successful completion of the sale of 100% of the shares in Delta Lloyd Deutschland to Athene Holding Ltd. The sale was consistent with the Group's strategic focus on its core markets in the Netherlands and Belgium. ***Strengths*** The Group believes that it has the following key strengths: • Broad distribution networks and customer base, a diverse product mix, high intermediary satisfaction and strong brand recognition;

		• Leading market positions in select target markets; and • Track record of delivering on cost savings initiatives. ***Revised Strategy*** The Group's strategic objective is to create value for its stakeholders by being recognised as a reliable and highly valued financial services provider in the Netherlands and Belgium with a focus on insurance. The Group believes it can create value for stakeholders primarily through enhancing its understanding of customer needs and providing an excellent customer experience. In order to achieve this strategic objective, in 2015 the Group reviewed its strategy against the evolution of long term insurance industry trends and the changing regulatory environment in which it operates and adopted a new strategy: "Closer to the customer". This strategy focuses on getting closer to customers by leveraging the Group's broad distribution network, strong brand recognition and diverse product offering, as well as leveraging technology to offer relevant products and services to its customers in the right way and at the right time. To be able to do so, the Group aims to expand its digital and data capabilities. Furthermore, based on insights gained from customers and its experience as an insurer, the Group plans to develop sustainable, future-ready products and integrated solutions for its customers, which take into account new types of risks facing customers. The Group seeks to achieve its strategic objective while continuously improving cost and capital efficiency and enhancing profitability. The Group believes that its focus on getting closer to its customers will increase customer satisfaction and loyalty, create a platform for the Group to cross-sell additional products and services to customers, enable future growth in its core markets, reduce costs and increase the level of premiums received from customers and thereby contribute to realising sustainable and stable value creation for all of its stakeholders: customers, shareholders, distribution partners, employees, suppliers and society at large. The Group intends to leverage its commercial strength and market positions in its chosen segments to deliver the right type of business in light of the changing regulatory environment. 'Value over volume' is one of the leading principles for each of its product lines. This means that the Group targets overall stable and healthy margins and will only grow in volume if it is expected to be value accretive over time. An example of this strategy in practice is the Group's withdrawal from the pension fund "buy-out market", where commercial insurance companies take over the assets and liabilities of pension funds. This is a relatively low margin market and the Group has proactively sought to decrease its market share since 2014. The Group's business strategy is informed by its capital objectives, as described below. The Group is aiming to become a more capital light (for example, transitioning to a more fee-driven business model) and capital efficient business. For example, the Group plans to enter into a strategic partnership with Delta Lloyd APF, involving funding, licensing, administrative services and various other business services, to facilitate a sustainable working relationship between the Group and Delta Lloyd *Algemeen Pensioenfonds* or "APF," a new type of general pension fund of strategic importance to the Group. The Group focuses on reducing overall complexity in its way of working and on becoming a more agile and innovative organisation.

		In order to improve operational efficiency and to respond more quickly to market and customer demands, the Group reorganised its business model by integrating its commercial activities into its life insurance, general insurance and banking business segments. The Group's revised strategy has been adapted to allow it to optimise its capital position and returns in the new Solvency II era, which became effective on 1 January 2016. Alongside its revised strategy, the Group has also implemented a number of management actions and capital measures and intends to take further actions in 2016 and in the longer term, as described below. ***Capital Plan and Solvency II*** Despite the Group's strong commercial and operational performance, its business model is not sufficiently optimised for Solvency II. The development of the new Solvency II regulatory framework has been a long and complex process. In order to optimise the balance sheet in anticipation of Solvency II, the Group made changes to the business mix several years ago, for instance by shifting the focus of its life insurance new business from defined benefit pension schemes to the capital light defined contribution pension schemes. In 2015, the Executive Board decided to accelerate the shift towards relatively lower risk, less volatile products and move the investment portfolio towards relatively higher Solvency II risk-adjusted returns. However, the legacy of the Group's existing defined benefit pension schemes still impacts its capital position and the provisions associated with the defined benefit back-book will only be released over the long term. On 30 November 2015, the Group announced a new capital plan, including the Offering, comprised of management actions and capital measures designed to ensure the Group is strongly positioned in the new era of Solvency II (the "Capital Plan"). After executing its Capital Plan, the Group believes it will be appropriately capitalised to implement its strategy and operate in the new Solvency II environment. The Capital Plan focuses on aligning the Group's strategy and its capital requirements in order to enable it to operate successfully in a Solvency II environment. The intention of the Capital Plan is to build on the Group's strong franchise and track record of commercial and operational strength by implementing management actions and capital measures to support the Group's Solvency II position in order to allow it to focus on capital generation and the payment of cash dividends. As a result of volatility in the results produced by its internal model, the Group decided in 2015 to adopt the Solvency II SF to determine its capital requirements. The Group has established a Solvency II target range (SF) of 140 to 180% taking into account, among other factors, the impact of market stresses, rating considerations, uncertainties regarding Solvency II and a peer comparison. Based on its completed management actions (see Completed Actions below), and assuming the completion of the Offering, the Group expects to reach a solvency position it believes will allow the Group to cope with market volatility, absorb reasonable stress scenarios and the remaining material regulatory uncertainties (principally, any change to the ultimate forward rate ("UFR")), and give it a strong foundation from which to execute its strategy and deliver customer-focused, profitable and capital-generative new business.

		As part of the Capital Plan, the Group has completed a number of management actions, including in the fourth quarter of 2015, and plans to take further actions, including in 2016, in the future across its business segments in order to further improve capital generation and efficiency and its ability to pay cash dividends. The Group has recently clarified with DNB a number of important Solvency II interpretive questions regarding the calculation of its Solvency II ratio (SF), including the extent to which it may reflect the loss absorbing capacity of deferred taxes ("LAC DT") and the longevity derivative contracts the Group entered into with Reinsurance Group of America ("RGA") in August 2014 and June 2014 to hedge a portion of its exposure to longevity risk included in its life insurance portfolios (the "Longevity Derivatives") when calculating its Solvency II ratio (SF) and the conditions for doing so, although other material regulatory uncertainties still exist (principally, any change to the UFR). The Group's ability to recognise LAC DT is subject to completion of the Offering and the continued availability of certain credit facilities. Maintaining the solvency benefit of the Longevity Derivatives requires various conditions to be satisfied, including restructuring the Longevity Derivatives to ensure they are treated as reinsurance contracts. Absent this restructuring, there would be a further adverse impact of 7% points on the Group's Solvency II ratio (SF). *Completed Actions:* • Two longevity hedge transactions entered into during 2014 and 2015, respectively; • Equity offering of 19.9 million new Ordinary Shares via an accelerated book build, which raised gross proceeds of EUR 337 million, in March 2015; • Disposal of certain of its non-core activities, including Delta Lloyd Bank Belgium and Delta Lloyd Life Deutschland; • Restructuring of the EUR 404 million[1] subordinated loan from Fonds NutsOhra to facilitate Solvency II grandfathering for a period of three years; • Restructuring agreements between the Group's insurance subsidiaries and the asset management business (the "Revised Mandate"); • Unwinding of a securitisation vehicle; • Reallocation of mortgage portfolios to the Group's Belgian life business; • Sale of office investment portfolio to First Sponsor Group for EUR 226 million on 13 November 2015; and • Sale of entire retail portfolio to EPISO 4 for EUR 273 million, which closed at the end of December 2015. The management actions completed since the announcement of the Capital Plan on 30 November 2015 (the Revised Mandate, the unwinding of a securitisation vehicle and the sale of the commercial real estate portfolio) resulted in a 7% point increase reflected in the Group's Solvency II ratio (SF) as at 31 December 2015.

1 Notional amount of subordinated loan at 31 December 2015.

		Actions Planned for 2016:
		• The Company plans to sell its 30% stake in Van Lanschot via a marketed share offering, subject to market conditions.[2] Van Lanschot has agreed to cooperate in preparations for the sale. Assuming a sale at the trading price of Van Lanschot's shares on Euronext Amsterdam on 31 December 2015, the sale of the Van Lanschot N.V. ("Van Lanschot") stake is estimated to deliver an approximate 8% point increase in the Group's Solvency II ratio (SF).
		• The Group plans to implement further asset-liability management and other actions by year-end 2016, which are currently estimated to deliver an approximate 10 to 15% point increase in the Group's Solvency II ratio (SF), including:
		  • Reducing currency risk, equity risk and credit risk exposure to enhance resilience and reduce the solvency capital requirement ("SCR");
		  • Modelling enhancement in the Group's life business in Belgium and its treasury function at the Company level; and
		  • Extending the duration of the Longevity Derivatives and to assess the restructuring of them to be reinsurance contracts in order to meet the commitments made during the Group's discussions with DNB, and
		• The Group has committed to implement a group liquidity plan to support DLL and Delta Lloyd Schadeverzekering in a severe stress event that results in the solvency ratios falling below the minimum capital requirement ("MCR") compliance levels. In such an event, the Group must be able to provide DLL and Delta Lloyd Schadeverzekering with sufficient capital injections to meet the MCR for LAC DT to be recognised. The Offering forms part of these LAC DT recovery plans.
		Ongoing:
		• The Group has committed to DNB to further improve the partial internal model and implement it by 1 January 2018. Any partial internal model will model at least the following modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk.
		• Acceleration of shift towards capital light products, for example:
		  • Group life insurance is focused on defined contribution products and PPI;

[2] The Group's 30% interest in Van Lanschot (unchanged from 31 December 2014) was valued at EUR 263 million based on a share price of EUR 21.23 per share at 31 December 2015. During the period between 1 January 2015 and 21 March 2016, the trading price of Van Lanschot's shares on Euronext Amsterdam reached a high of EUR 25.70 per share and a low of EUR 16.66 per share.

    - The Group has moved away from guaranteed products in Belgium and towards unit-linked and protection products;
    - The Group has a strong focus on new business profitability, particularly through optimal pricing;
    - The Group is seeking to grow and diversify its general insurance and asset management businesses.
- The Group is focused on cost discipline and operational cost reduction and is targeting a reduction in operational expenses to less than EUR 610 million in 2016 reflecting a balance between cost savings and important reinvestment (for example in digitalisation) and a further reduction of operational expenses to less than EUR 560 million in 2018. The reduction of legacy IT, straight through processing, digitalisation and online services is expected to contribute to achieving these targets. Managing the Group's back-book in the most efficient way possible is also part of this focus on cost discipline. The Group is seeking a back-book cost reduction target in 2016 of 10% (within the overall target above).
- The Group remains actively focused on identifying further capital enhancing management actions for future implementation.

The Group's Solvency II ratio (SF) was 131% as of 31 December 2015, which reflects the impact of the completed management actions.[3] As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%.[4] The net decrease of 5% points reflects a positive contribution from the completed management actions in the fourth quarter (+7% points, principally arising from the Revised Mandates), exclusion of Delta Lloyd Bank Netherlands and Van Lanschot from the Solvency II ratio calculation as required by DNB (+2% points) and other changes (+2% points), which were more than offset by the treatment of the Longevity Derivatives for Solvency II purposes discussed with DNB (-14% points) and the resolution of the extent to which LAC DT may be reflected in the Group's Solvency II ratio (-2% points).

[3] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the Other Financial Sectors ("OFS") were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

[4] The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the European Insurance and Occupational Pensions Authority "EIOPA") in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

		The Solvency II ratio (SF) as at 31 December 2015 includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years. Pro forma for the receipt of the gross proceeds of the Offering, the Company estimates that its Solvency II ratio (SF) would have been 156% as of 31 December 2015. As part of the Capital Plan, the Group has established a target run-rate Solvency II Net Capital Generation of EUR 200-250 million per year, and aims to deliver a stable annual dividend to Shareholders.[5] While the Group currently uses the more prescriptive SF to determine its Solvency II capital requirements, the Group continues to update and test its partial internal model, and it intends to implement the partial internal model by 1 January 2018, which it has committed to DNB.
B.4a	Most significant recent trends affecting the Group and industries in which it operates	**Industry trends/developments for life insurance** • Defined contribution pension schemes replacing defined benefit pension schemes; • Pension reform in the Netherlands, with future reforms expected; • Pension funds liquidating and moving to insured solutions; • Bank annuity products continue to replace individual life insurance products; and • Introduction of APFs for defined benefit pension. **Industry trends/developments for general insurance** • Lower profitability for certain products; • Decreasing premium volumes in general; and • More direct distribution (including distribution through internet and mobile platforms). **Industry trends/developments for banking** • Introduction of legislation intended to reduce interest-only and high loan to value ("LTV") mortgage lending; • Tempered growth in sales of bank annuities; • Increase in repayments of debts; • Lowering of maximum mortgage loan amount allowed by the national mortgage guarantee; and • Political pressure on product amendments and development

[5] Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.

<table>
<tr><td></td><td></td><td>Industry trends/developments for investment management

Increase in institutional customers investing via investment managers;
Amendments to the EU Undertakings for Collective Investment in Transferable Securities (“UCITS”) Directive regulations facilitating cross-border investments;
Increased market share of cross-border funds;
New regulations offer new business opportunities; and
Passive management, through index funds and exchange traded funds, has become popular increasing passive management’s share of the European fund market.
</td></tr>
<tr><td>B.5</td><td>Description of the Group and the Company’s position therein</td><td>The Company is the holding company of a group that includes the following material subsidiaries and significant investments (held directly or indirectly by the Company) at the date of this Prospectus, all of which are engaged in the Company’s field of activity or related activities, including the ownership of trademarks and licences related to the Group’s business:
<table>
<tr><th>Material subsidiaries</th><th>Country of incorporation</th><th>Field of activity</th><th>Shareholding and voting percentage held by the Company (directly or indirectly)</th></tr>
<tr><td>Delta Lloyd Houdstermaatschappij Verzekeringen N.V.</td><td>The Netherlands</td><td>Insurance</td><td>100%</td></tr>
<tr><td>Delta Lloyd Levensverzekering N.V.</td><td>The Netherlands</td><td>Life Insurance</td><td>100%</td></tr>
<tr><td>Delta Lloyd Schadeverzekering N.V.</td><td>The Netherlands</td><td>General Insurance</td><td>100%</td></tr>
<tr><td>Delta Lloyd ABN AMRO Verzekeringen Holding</td><td>The Netherlands</td><td>Insurance</td><td>51%</td></tr>
<tr><td>ABN AMRO Levensverzekering N.V.</td><td>The Netherlands</td><td>Life Insurance</td><td>51%</td></tr>
<tr><td>ABN AMRO Schadeverzekering N.V.</td><td>The Netherlands</td><td>General Insurance</td><td>51%</td></tr>
<tr><td>Delta Lloyd Houdstermaatschappij België B.V</td><td>The Netherlands</td><td>Insurance</td><td>100%</td></tr>
<tr><td>Delta Lloyd Life NV/SA.</td><td>Belgium</td><td>Life Insurance</td><td>100%</td></tr>
<tr><td>Delta Lloyd Bank N.V.</td><td>The Netherlands</td><td>Bank-related Activities</td><td>100%</td></tr>
<tr><td>DLAM Holding B.V.</td><td>The Netherlands</td><td>Asset Management</td><td>100%</td></tr>
<tr><td>Amstelhuys B.V.</td><td>The Netherlands</td><td>Bank-related Activities</td><td>100%</td></tr>
</table></td></tr>
<tr><td>B.6</td><td>Persons who, directly and indirectly, have a notifiable interest in the Company’s capital or voting rights</td><td>The Company’s share capital at the date of this Prospectus is divided into Ordinary Shares, Preference Shares A (“Preference Shares A”) and Protective Preference Shares B (“Protective Preference Shares B”) (collectively, the “Shares”). Fonds NutsOhra owns all outstanding 10,021,495 Preference Shares A. The Preference Shares A are convertible into Ordinary Shares. A Foundation, (“Foundation Continuïteit Delta Lloyd” (Stichting Continuïteit Delta Lloyd)) has a</td></tr>
</table>

call option over all Protective Preference Shares B. The call option entitles Foundation Continuïteit Delta Lloyd to acquire Protective Preference Shares B up to a maximum that is equal to 100% of Delta Lloyd's total issued and outstanding share capital, minus one share, which will entitle it to 49.9% of the voting rights after issuance.

	Capital and voting rights at 15 March 2016					
	Ordinary shares	%	Preference Shares A	%	Voting rights	%
Fonds NutsOhra	—	—	10,021,495	100%	10,021,495	4.22%
Free float	227,567,943	99.54%	—	—	227,567,943	95.78%
Treasury shares	1,046,669	0.46%	—	—	—	—
Total	228,614,612	100%	10,021,495	100%	237,589,438	100%

According to the AFM register on substantial holdings, Norges Bank had a direct substantial interest of 6.92% of the share capital and 6.92% of the voting rights of the Company as of 1 March 2016. As of 24 February 2016, J.H.H. de Mol had a direct substantial interest of 5.02% of the share capital and 5.02% of the voting rights of the Company. As of 21 December 2015, Highfields had an indirect substantial interest of 5.35% of the share capital and 5.35% of the voting rights of the Company. As of 13 October 2015, Old Mutual plc had an indirect substantial interest of 3.04% of the share capital and 3.04% of the voting rights of the Company. As of 17 March 2015, Fubon had an indirect substantial interest of 5.23% of the share capital and 5.23% of the voting rights of the Company.

To the best knowledge of the Company, on 9 March 2016, the record date for the extraordinary general meeting at which Shareholders resolved, amongst other things, to approve the Rights Offering, the interest held by Highfields amounted to 9.52% of the share capital and 9.52% of the voting rights of the Company, and the interest held by Fubon amounted to 6.86% of the share capital and 6.86% of the voting rights of the Company.

Actual interests may differ as the holder of a substantial interest is only obliged to notify the AFM of any change in the percentage of share capital and/or voting rights if such holder, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

The above mentioned substantial holdings are part of the free float. None of the above mentioned Shareholders or Fonds NutsOhra have any special voting rights

Recent Trading

Unaudited IFRS Results

Overall trading for the two months ended 29 February 2016 has been broadly in line with the underlying business levels experienced in the two months ended 28 February 2015. The first quarter of each year typically experiences significantly higher levels of business compared to other quarters in life insurance (due to pension renewals).

The overall GWP of the Group were EUR 1,094 million for the two months ended 29 February 2016, which is EUR 27 million lower compared to the EUR 1,121 million for the two months ended 28 February 2015. The Group's life insurance business segment GWP were EUR 743 million (compared to EUR 793 million for the two months ended 28 February 2015). The Group's general insurance business segment GWP were EUR 351 million (compared to EUR 329 million for the two months ended 28 February 2015).

On a Group-wide basis, the development in operational expenses for the two months ended 29 February 2016 was somewhat lower compared with the two months ended 28 February 2015. The Group continued its initiatives in expanding its digital and data capabilities, leveraging technology and was and will continue to be focused on reducing the overall complexity of its organisation.

IFRS shareholders' funds, on a consolidated basis, remained relatively stable at EUR 2.5 billion as of 29 February 2016, compared to EUR 2.6 billion as of 31 December 2015, notwithstanding the sharp reduction of interest rates in the period.

Solvency II

The Company continues to make progress implementing its management actions. For the two months ended 29 February 2016, based on estimates of the effect of market movements, the Solvency II ratio (SF) is expected to be no worse than modestly lower than the SF ratio at year end 2015.

B.7	Selected key historical financial information	The summary financial information of the Group shown in the following tables includes: • information extracted without material adjustment from the Group's audited consolidated financial statements as at and for the years ended 31 December 2015, 2014 and 2013 prepared in accordance with IFRS and audited by Ernst & Young Accountants LLP ("EY") unless otherwise indicated; • information with respect to the Group's operational result before tax and minority interest ("Operational Result"), the Group's operational result after tax and minority interest ("Net Operational Result") and tangible shareholders' funds, which are non-IFRS measures, together with a reconciliation of Net Operational Result and Operational Result to the Group's IFRS result before tax from continuing operations, for the years ended 31 December 2015, 2014 and 2013; and • information with respect to the Group's new annualised premium income ("NAPI") for the life insurance business, combined ratio ("COR") for the general insurance business for the years ended 31 December 2015, 2014 and 2013 and the cash position of the Company for the years ended 31 December 2015 and 2014.

Key Figures

	Year ended 31 December		
	2015	**2014**	**2013(1)**
	(EUR million, unless otherwise stated)		
GWP (IFRS)	4,038.3	3,963.3	4,757.5
NAPI(2)	431.7	418.1	431.1
Total income (IFRS)	6,074.6	13,876.9	5,951.0
Total expenses (IFRS)	5,924.2	13,408.7	5,706.2
Result before tax from continuing operations (IFRS)	150.4	468.2	244.8
COR(3)	96.2%	94.5%	97.7%

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014.

(2) NAPI consists of new annual premiums and 10% of the new single premiums received during the period.

(3) COR is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.

Double Leverage

Double leverage is a non-IFRS measure that measures the extent to which subsidiaries' equity is financed with debt by the Company. Double leverage is calculated by dividing the equity value of the subsidiaries (comprised of shareholders' funds and perpetual subordinated intercompany debt from the Company) by the consolidated equity value of the Company (comprised of shareholders' funds and perpetual subordinated external debt of the Company).

A higher double leverage level indicates that a higher level of net (non-perpetual) debt is used by the Company to finance the subsidiaries.

The following table includes certain non-IFRS measures, which are unaudited (namely value businesses (shareholders' funds and subordinated debt) and double leverage).

	Year ended 31 December		
	2015	2014	2013
	(EUR million, unless otherwise stated)		
Group Capital	**3,704.5**	**3,761.0**	**3,068.0**
Shareholders' funds[(1)]	2,822.6	2,880.2	2,930.0
Perpetual subordinated convertible loan (FNO)[(2)]	138.0	138.0	138.0
Perpetual subordinated loan	743.8	742.8	—
Value businesses[(3)]	**3,724.9**	**4,144.4**	**3,425.5**
Shareholders' funds	3,139.9	3,664.4	3,424.5
Subordinated debt	585.0	480.0	—
Double leverage	**100.5%**	**110.2%**	**111.6%**

(1) Includes non-controlling interest and includes the reversal of provisions for sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.

(2) Includes preference shares A (EUR 2 million).

(3) Includes non-controlling interest.

Net Cash Position of the Company

The following table sets out the cash position of the Company for the periods indicated. This table is unaudited and consists of non-IFRS measures.

	Year ended 31 December		
	2015	2014	2013[(1)]
	(EUR million)		
Opening net cash position[(1)]	**-558.2**	**-436.0**	**-424.9**
Remittances from businesses	**155.4**	**234.2**	**604.1**
Capital injection	**0.0**	**-387.1**	**-25.4**
Corporate and other activities	**564.5**	**742.9**	**63.0**
Businesses sold	227.7	0.0	0.0
Borrowings/Issue of ordinary shares	336.9	742.9	63.0
Company expenditure	**-480.3**	**-712.1**	**-652.8**
Company finance costs	-69.7	-36.9	-38.2
Company costs[(2)]	-70.1	-91.3	-59.2
Intercompany loans (net)	-45.1	-470.7	-531.8
Other[(3)]	-182.5	-47.6	44.5
Cash dividend pay-out	-113.0	-65.6	-68.1
Ending net cash position	**-318.6**	**-558.2**	**-436.0**

(1) Positive or negative net cash balance of the Company (i.e., includes cash less current debt outstanding (debt due within the next 12 months)).

(2) Gross cash figure including non-operational items.

(3) Working capital balances with business (net), equity investments, tax and other movements.

Selected Consolidated Statement of Financial Position Data

	IFRS		
	As at 31 December		
	2015	2014	2013[(1)]
	(EUR million)		
Total assets	73,468.2	87,923.8	80,304.5
Insurance liabilities	45,789.9	45,662.4	44,340.7
Liabilities for investment contracts	6,304.5	6,154.3	4,817.0
Borrowings	4,316.2	5,322.9	5,328.4
Shareholders' funds[(2)]	2,568.9	2,468.4	2,620.6
Tangible shareholders' funds[(3)]	2,240.4	2,108.9	2,275.6

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014.

(2) Shareholders' funds represents total capital and reserves and takes into account the Group's 51% stake in Delta Lloyd ABN AMRO Verzekeringen.

(3) Tangible shareholders' funds is unaudited and a non-IFRS measure. It is calculated as the difference between shareholders' funds and intangible assets (i.e., goodwill) and also takes into account the Group's 51% stake in Delta Lloyd ABN AMRO Verzekeringen.

Selected Consolidated Income Statement Data

	IFRS result after tax and non-controlling interest		
	As at 31 December		
	2015	2014	2013(1)
	(EUR million)		
Life insurance	190.0	482.0	163.9
General insurance	52.7	56.2	39.8
Asset management(2)	34.6	22.7	40.0
Banking	48.7	43.2	-13.8
Corporate and other activities(3)	-197.9	-242.8	-46.5
Total	**128.1**	**361.1**	**183.3**

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014.

(2) The figures for the years ended 31 December 2015 and 2014 for the asset management business segment have been adjusted following the segment reclassification of Delta Lloyd Treasury from the asset management segment to the corporate and other activities segment.

(3) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not included in the Group's banking business segment), together with any consolidation and elimination items.

Capital Position

	As at 31 December		
	2015	2014	2013
	(EUR million, unless otherwise stated)		
Equity			
Shareholders' funds after non-controlling interests	2,569	2,468	2,621
-of which 'hard' capital (tangible assets)	2,240	2,109	2,276
Solvency			
Solvency II ratio (SF)(2)	131%(1)	n.a.2	n.a.2

(1) The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

(2) The Solvency II framework was not effective during 2014 and 2013, therefore, the Company has not publically reported these items for these periods. As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%. The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the EIOPA in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

The phased-in CET1 ratio of Delta Lloyd Bank Netherlands was 12.4% as at 31 December 2015, compared to 13.6% as at 31 December 2014. The CET1 ratio has been calculated and presented in accordance with the Basel framework that was most recently translated into a directive (2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, "CRR"), together referred to as the "CRD IV framework". The CRD IV directive was implemented in Dutch law with effect from August 2014 and under this framework, Delta Lloyd Bank Netherlands is required to maintain minimum solvency and liquidity ratios, including a minimum total capital ratio. The CRR has been directly applicable since 1 January 2014, and has resulted in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements in relation to solvency supervision and liquidity supervision. An annual supervisory review and evaluation process ("SREP") by DNB is part of this new framework. Capital requirements are, amongst other requirements, based on this SREP. At the date of this Prospectus, Delta Lloyd Bank Netherlands is still awaiting the final SREP 2015 decision from DNB, after having received a preliminary SREP 2015 decision on 14 January 2016. Delta Lloyd Bank Netherlands is currently corresponding with DNB in this regard. Prior to 1 January 2014, the Basel II regulations applied. Delta Lloyd Bank Netherlands' BIS ratio ("BIS ratio") was 19.6% as at 31 December 2013.

Operational Result and Net Operational Result

Operational Result and Net Operational Result are derived from the audited consolidated statements but are not measures of financial performance under IFRS and should be considered in conjunction with the Group's IFRS results. The Group's net IFRS result is inherently volatile, principally as a result of the application of mark-to-market accounting since 2006. Given this volatility, net IFRS result is not viewed by the Group's management as an effective sole measure by which it can judge the operational performance of the Group.

Operational Result and Net Operational Result were developed as measures to capture the 'underlying' profitability of the Group. Until 2014, Operational Result and Net Operational Result included actual and presumed long-term investment returns, in addition to the operational technical result (the IFRS underwriting result, excluding non-operational items, which reflect one-off circumstances or are otherwise, in the judgement of management, not attributable to the ongoing business operations of the Group). Long-term investment returns ("LTIR") for purposes of Operational Result and Net Operational Result were determined by utilising the last known interest rate (based on the 10-year point on the Collateralised AAA curve). The 'assumed interest rate' by means of this long-term investment return is not in line with the short-term investment returns recorded in the IFRS profits and losses of the Group. The Group therefore decided to reassess its definitions of Operational Result and Net Operational Result in 2014. After reassessing the Operational Result formula (and specifically the presumed long-term investment return), the Group replaced the long-term investment return with an investment spread ("investment spread" or "InvSp") (defined as the direct yield minus the cost of liabilities). The long-term investment return understated the actual 'locked-in' direct yield of stable long duration own risk assets. Direct yield is derived from the IFRS result, comprised of dividend income, real estate income, and interest income on fixed income and mortgages. Cost of liabilities includes the required interest on own risk life and general insurance liabilities and finance costs. The required interest on own risk life insurance liabilities is measured per period and can be calculated by multiplying the opening balance of the life insurance liabilities of each period by the 13-year point on the Collateralised AAA curve, which is used as a proxy for the average duration of the life insurance liabilities.

The Prospectus presents Operational Result and Net Operational Result for the year ended 31 December 2015 using the investment spread method, Operational Result and Net Operational Result for the year ended 31 December 2014 using each of the investment spread method, denoted as 2014 (InvSp) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2015), and the LTIR method, denoted as 2014 (LTIR) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2013), and Operational Result and Net Operational Result for the year ended 31 December 2013 using the LTIR method. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement. For further information on the change to investment spread from LTIR, see the redefinition of operational result 2014 table in note 4.1.7.3 '*Segment Information*' included in the financial statements for the year ended 31 December 2015 incorporated by reference herein.

The current definitions of Operational Result and Net Operational Result include a number of elements that are not capital generative from a Solvency II standpoint. Accordingly, the Group has decided to introduce later in 2016 a new definition of Operational Result that is more aligned with Solvency II.

	Year ended 31 December			
	2015	**2014 (InvSp)[(1)(6)]**	**2014 (LTIR)[(1)]**	**2013**
	(EUR million)			
Life insurance	83.5	49.7	97.1	149.0
General insurance	65.0	90.6	90.6	42.1
Asset management	56.9	26.6	34.1	58.4
Banking	55.5	16.1	31.5	21.3
Corporate and other activities[(2)]	-31.1	7.6	1.6	-16.7
Operational technical result[(3)]	**229.7**	**190.7**	**255.0**	**254.1**
Investment spread/LTIR[(4)]	710.6	427.7	286.0	360.0
Operational Result	**940.3**	**618.4**	**541.1**	**614.1**
Illustrative tax[(5)]	-235.1	-154.6	-135.3	-153.5
Minority interest	-27.2	-30.2	-29.0	-34.5
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For further information, see the introduction to the Operational Result and Net Operational Result section above.

(2) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business segment), together with any consolidation and elimination items. Corporate and other activities also includes gains from the sale of CZ during the year ended 31 December 2015.

(3) Operational technical results for the years ended 31 December 2014 (LTIR) and 2013 are the reported figures included in the 2014 annual reports of the Group and are calculated on a basis different from that used for the years ended 31 December 2015 and 2014 (InvSp). LAT changes (i.e. a test performed to ensure total insurance liabilities are sufficient) of Delta Lloyd Life Belgium are excluded for the years ended 31 December 2015 and 2014 (InvSp) to reduce volatility within the result.

(4) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement.

(5) Represents taxation over the period using the statutory corporate tax rate of the Netherlands (25%) for all business units.

(6) The comparative 31 December 2014 figures have been adjusted for the asset management and corporate and other activities business segments following the segment reclassification of Delta Lloyd Treasury from the asset management business segment to the corporate and other activities business segment.

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the investment spread method.

	Year ended 31 December			
	2015	**2014 (InvSp)[1]**	**2014 (LTIR)[1]**	**2013**
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result	**940.3**	**618.4**	**541.1**	**614.1**
Long-term investment return	N/A	N/A	-286.0	-360.0
Movement of assets[2]	-1,022.1	6,439.1	7,943.3	-76.8
Movement of liabilities	380.6	-6,457.3	-7,191.8	50.3
Provisions for onerous contracts	-162.1	-134.0	-134.0	0.0
Other	13.7	1.9	-404.3	17.2
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For further information, see the introduction to the Operational Result and Net Operational Result section above.

(2) Movement of assets is made up of the spread of the Collateralised AAA bond curve versus DNB swap curve, income statement impact on own pension assets, income statement impact of credit spread, income statement impact on interest, cost of the UFR (the pre-tax difference between the assumed cost of liabilities based on the 13 year spot rate for the operational result and the actual benefit from the UFR calculated for all durations under IFRS) and other items (equity result, pull-to-par assets and other effects).

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the long-term investment return method.

	Year ended 31 December			
	2015	2014 (InvSp)(1)	2014 (LTIR)(1)	2013(2)
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result(3)	**940.3**	**618.4**	**541.1**	**614.1**
- Long-term investment return	N/A	N/A	-286.0	-360.0
+/- Fair value adjustments liabilities(4)	68.5	-6,398.5	-6,398.5	725.2
+/- Actual return after profit sharing/interest accrual(5)	-527.0	6,310.8	6,674.0	-600.4
+/- Non-operational items	-331.4	-62.4	-62.4	-134.1
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and net Operational Result for the year ended 31 December 2013. For further information, see the introduction to the Operational Result and Net Operational Result section above.

(2) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014.

(3) In reconciling Operational Result to result before tax, the Group subtracts the long-term investment return from Operational Result, replacing it with the actual return made on the investment portfolio after profit sharing and interest accrual in respect of liabilities. These numbers may vary significantly as IFRS investment volatility is included in, and available-for-sale statement of financial position movements are excluded from, this number. Fair value adjustments to insurance liabilities as a result of the changes in the interest curve used for the valuation of these liabilities is excluded as are certain incidentals and expenses not included in the technical result.

(4) Represents movement in liabilities as a result of changes in the Collateralised AAA bond curve for the years ended 31 December 2015, 2014 and 2013.

(5) Represents actual results of the Group's investment portfolio in the period, that is, the sum of (a) the Group's actual investment income, (b) share of profit or loss after tax of associates and (c) other income less the sum of (x) finance expenses and (y) change in insurance liabilities attributable to interest accrual and profit sharing.

B.8	Selected key pro forma financial information	Not applicable. The Prospectus does not contain any pro forma financial information.
B.9	Profit forecast	Not applicable. The Company has not issued a profit forecast or estimate.
B.10	A description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. The auditor has not qualified its reports on the historical financial information of the Company.
B.11	Working capital statement	The Company believes that the working capital available to the Group is sufficient for the Group to meet its present working capital expenditure requirements for at least the next 12 months following the date of this Prospectus. The Company believes that the Group has sufficient liquidity to meet its liabilities for at least the next 12 months following the date of this Prospectus. The Group's insurance operations have sufficient liquid investments and inflows of new premiums compared to a stable outflow of payments. The Group has defined a target liquidity coverage ratio ("LCR") of 105% for its insurance entities. The LCR largely meets the target, i.e. the ratios show that in case of a stress situation (e.g. mass lapse, catastrophe), the Group will have a sufficient liquid stock of assets. The current liquidity position of Delta Lloyd Bank Netherlands is sufficient to comply with the applicable liquidity requirements as set out under the CRD IV framework. The Company and other subsidiaries within the Group are not subject to such liquidity requirements.

<table>
<tr><th colspan="3">Section C—Securities</th></tr>
<tr><td>C.1</td><td>A description of the type and the class of the securities being admitted to trading, including any security identification number</td><td>The securities being admitted to trading are the Rights, being the 227,567,943 transferable subscription rights to subscribe for Offer Shares, and the Offer Shares, being the 227,567,943 new Ordinary Shares offered by the Company in connection with the Offering.

Codes for the Rights

Symbol: “DLRI”
The International Security Identification Number (“ISIN”) code is: NL0011784020.

Codes for the Offer Shares

Symbol: “DL”
ISIN code is: NL0009294552.</td></tr>
<tr><td>C.2</td><td>Currency of the Offer Securities</td><td>The Offering will be carried out and trading in the Rights will be effected in euros. The Offer Shares will be denominated in euros. Distributions, if any, will also be made in euros.</td></tr>
<tr><td>C.3</td><td>Number of shares and par value</td><td>At the date of the Prospectus, the authorised share capital of the Company amounts to EUR 150,000,000 divided into: (i) 360,000,000 Ordinary Shares with a nominal value of EUR 0.20 each, (ii) 15,000,000 Preference Shares A with a nominal value of EUR 0.20 each; and (iii) 375,000,000 Protective Preference Shares B with a nominal value of EUR 0.20 each. At the date of the Prospectus, 227,567,943 Ordinary Shares and 10,021,495 Preference Shares A are issued and outstanding and fully paid up. All Preference Shares A issued and outstanding are being held by Stichting Fonds NutsOhra. No Protective Preference Shares B have been issued.

In view of the anticipated number of Ordinary Shares to be issued in the Offering, the General Meeting resolved, in its extraordinary meeting held on 16 March 2016, to amend the articles of association as in force on the date of this Prospectus (the “Articles of Association”), with the purpose of increasing the authorised capital on the basis of certain pre-determined criteria as set out in the convocation of documentation. On 21 March 2016, the Executive Board resolved that the below will be included in the Articles of Association:

<table><tr><th>Type</th><th>Number</th></tr><tr><td>Ordinary Shares</td><td>912,365,110</td></tr><tr><td>Preference Shares A</td><td>15,000,000</td></tr><tr><td>Protective Preference Shares B</td><td>927,365,110</td></tr><tr><td>Total</td><td>1,854,730,220</td></tr></table>
This amendment shall take effect from the moment Ordinary Shares are issued upon completion of the Offering pursuant to the execution by the Company of a deed of issue to that effect.

On 16 March 2016, the Executive Board resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (wettelijke voorkeursrechten) of Shareholders in relation to the Offering. In addition, a pricing committee was formed in connection with the Offering consisting of the chairman of the Executive Board and the chairman of the Supervisory Board (the “Pricing Committee”), which has the authority to pass any and all resolutions on behalf of the Executive Board and the Supervisory Board in connection with the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolutions of the Executive Board on 16 March 2016. On 21 March 2016, the Pricing Committee resolved on the final terms of the Offering.</td></tr>
</table>

C.4	Rights attached to the securities	Each Ordinary Share entitles its holder to cast one vote at the Company's General Meeting, being the corporate body, or where the context requires so, the physical meeting. There are no voting restrictions, other than that the Company has no voting rights in respect of Ordinary Shares it holds in treasury. The Offer Shares will be eligible for any dividends which the Company may declare on Ordinary Shares after 11 April 2016 (the "Settlement Date"). Shareholders have a pre-emptive right in the event of an issue of Ordinary Shares. Shareholders have no pre-emptive right upon the issue of Preference Shares A and Protective Preference Shares B. No pre-emptive right exists in respect of the issue of Shares for consideration other than cash or in respect of Shares that are issued to employees of the Group. The statutory pre-emptive rights of the Shareholders in respect of the Offering have been excluded, as described further below. At the proposal of the Executive Board, with approval of the Supervisory Board, the General Meeting may resolve to limit or exclude the pre-emptive rights, which resolution requires an absolute majority of the votes if at least half of the issued share capital is present or represented at the General Meeting at which such a resolution is put to vote (failing which the resolution requires a two-thirds majority). The General Meeting may also designate the Executive Board, with approval of the Supervisory Board, to resolve to limit or exclude the pre-emptive rights. This designation may be granted to the Executive Board for a specified period of time of not more than five years and only if the Executive Board has also been designated or is simultaneously designated the authority to resolve to issue Shares. The designation may be extended for no longer than five years at a time and only applies as long as the designation to issue Shares is in force. On 21 May 2015, the General Meeting resolved to designate the Executive Board, with the approval of the Supervisory Board, as the competent body to issue Ordinary Shares and to grant rights to subscribe for Ordinary Shares for a period of 18 months. In its resolution, the General Meeting resolved to restrict the competency of the Executive Board as regards to the issue of Ordinary Shares to a maximum of 10% of the issued share capital at 21 May 2015, plus 10% of the issued share capital at 21 May 2015 in the event of an issue in the context of (the financing of) a merger, acquisition or joint venture by the Company or one of its subsidiaries. This limitation does not apply to the power of the Executive Board to pay out an interim dividend in the form of Ordinary Shares as defined in Article 44.10 of the Articles of Association. On 16 March 2016, the General Meeting authorised the Executive Board as the competent body to, subject to the approval of the Supervisory Board, grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights of Shareholders in relation to the Offering without prejudice to the authorisation referred to above. As a result, the designations set out in the preceding paragraphs remain available. On 16 March 2016, the Executive Board resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders in relation to the

		Offering. In addition, the Pricing Committee was formed in connection with the Offering, with the authority to pass any and all resolutions on behalf of the Executive Board and the Supervisory Board in connection with the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolutions of the Executive Board on 16 March 2016. On 21 March 2016, the Pricing Committee resolved on the final terms of the Offering.
C.5	Restrictions on the free transferability of the Offer Securities	There are no restrictions on the transferability of the Ordinary Shares under the Articles of Association. However, the offer of the Offer Securities to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the Netherlands and Belgium, and the transfer of Offer Securities into jurisdictions other than the Netherlands and Belgium may be subject to specific regulations or restrictions. Rights may only be exercised and used to subscribe for Offer Shares by Shareholders on the Record Date and subsequent transferees of the Rights, in each case who are able to give the representations and warranties set out in "*Selling and Transfer Restrictions*" ("Eligible Persons"). Rights granted to Shareholders who are not Eligible Persons shall not constitute an offer of Offer Shares to such person. The Rights will be credited to their account and will not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights. They will be entitled to receive cash pro rata to the number of unexercised Rights previously reflected in their securities account, subject to the discussion in Element E.3 below under "*—Terms and conditions of the Offering—Unexercised Rights Payment*".
C.6	Listing and admission to trading	Application has been made for admission to listing and trading in the Rights on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam") and on Euronext in Brussels, a regulated market of Euronext Brussels SA/NV ("Euronext Brussels"). The Company expects trading in the Rights on Euronext in Amsterdam and Euronext in Brussels to commence at 9:00 Central European Time or, when applicable, Central European Summer Time ("CET") on 24 March 2016 and to continue until 17:40 CET on 6 April 2016 barring unforeseen circumstances. The Rights will be traded on Euronext in Amsterdam and Euronext in Brussels under the symbol "**DLRI**" and ISIN code NL0011784020. The Company expects that the Offer Shares will be admitted for listing and that trading in the Offer Shares will commence on Euronext in Amsterdam and Euronext in Brussels on 11 April 2016. The Ordinary Shares are listed on Euronext in Amsterdam and Euronext in Brussels under the symbol "DL" and ISIN code NL0009294552.
C.7	Dividend policy	As part of the Capital Plan, the Company introduced an updated dividend policy in November 2015, which was a discussion item at the extraordinary general meeting on 16 March 2016. The Executive Board aims to deliver a stable annual dividend to Shareholders, subject to its ladder of intervention (see *"Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II"*) and the approval by the shareholder meeting. In addition, the Executive Board expects to take into account all relevant factors in determining whether to recommend a dividend, including the Group's then current and anticipated liquidity and regulatory requirements.

		To the extent paying a dividend on this basis would not be possible, management will consider various possible capital management alternatives. Such actions may include: • capital-raising activities (for example issuing non-equity Tier 1 or Tier 2 capital instruments); • hedging or other alternative strategies to reduce net exposure to key risks; and • other measures to reduce its capital requirement (such as reducing volumes of products with higher capital strain). Such alternative measures would only be taken after due consideration of the impact of such actions on the Group's long-term profitability and business franchise. **Manner and Time of Dividend Payments** Payment of any cash dividend on Ordinary Shares will be made in euro. At the proposal of the Executive Board, and with the approval of the Supervisory Board, the General Meeting may decide that all or part of any distribution on the Ordinary Shares may be paid in Shares instead of cash. For interim dividends, the Executive Board has this authority, with the approval of the Supervisory Board. The Company intends to manage the dilutive effect of the stock dividend on earnings per Ordinary Share by repurchasing Ordinary Shares in the market. The Company may alter the attractiveness of a cash versus stock dividend. The value of the stock dividend (dividend in shares) will be charged to the Ordinary Share premium. The Company's standard policy is to pay an interim dividend and a final dividend. Dividend payments are generally subject to withholding tax in the Netherlands. The Company will pay any final dividend within four weeks after adoption of the annual accounts, unless the General Meeting determines another date at the proposal of the Executive Board. Any interim dividend will be paid following the publication of the half-year results. Different payment dates may be designated for the Ordinary Shares, the Preference Shares A and the Protective Preference Shares B. Claims for dividends shall lapse upon the expiry of five years after the date such dividends were released for payment. Any dividend that is not collected within this period reverts to the Company. **Targeted dividend for the financial year 2016** For the financial year 2016, the Group is targeting a dividend of EUR 130 million. The targeted amount for 2016 is higher than the aggregate amount of the cash dividend payments in each of 2014, 2013 and 2012 (2014: EUR 87 million, 2013: EUR 71 million, 2012: EUR 73 million). Due to dilution resulting from the Offering, however, the targeted dividend for 2016 would be lower than in those years on a per share basis.

Section D—Risks		
D.1	Key risks relating to the Company and its industry	The following is a summary of what the Group believes are the key risks associated with investing in the Company and the Ordinary Shares. ***Financial Risks*** • Changes in the financial markets and general economic conditions could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • The Group is exposed to credit risks, and defaults or increased fear of default by the Group’s debtors or other entities in which the Group has invested could have a material adverse effect on the value of the Group’s assets. • Changes in longevity, mortality and morbidity experience, that exceed those estimated by the Group, may have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • The effect of the Longevity Derivatives is partially reflected in the Group’s Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied. If the Group is unable to restructure the Longevity Derivatives, there would be a significant and adverse impact on the Group’s Solvency II ratio (SF) (currently estimated at 7% points) • The sustained low interest rate environment in recent years has had, and could continue to have, a material adverse effect on the Group’s business, results of operations, financial condition, its solvency ratios and prospects. • Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • Rising interest rates could reduce the value of fixed-income investments held by the Group, increase policy lapses and surrenders, and increase collateral requirements under the Group’s hedging arrangements, which could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • Adverse experience compared with the assumptions used in pricing products, establishing provisions and reporting business results could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. • If the Group’s use of derivatives to protect itself against certain risks is inadequate or ineffective in limiting the Group’s exposure, the Group’s business, results of operations and financial condition may be materially adversely affected.

		Strategic Risks • The Group may not be able to successfully implement its capital management and other plans and efficiency programmes which it considers of strategic importance to increase profitability. In addition, completion of the Offering is important for the Group's future Solvency II ratio. Failure by the Group to successfully implement its capital management and other plans and efficiency programmes, or to complete the Offering, could have negative implications for the Group's Solvency II ratios (SF), and could have a material adverse effect on the Group's results of operations, financial condition and prospects. • The Group relies strongly on its network of Intermediaries in the Netherlands to sell and distribute its products and may not be able to maintain a competitive distribution network. A failure by the Group to maintain a competitive distribution network, including participation in, or the development of, an internet-based platform to maintain its market share of new sales through this distribution channel compared to its market share of traditional channels, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. • The Group faces significant competition in each of its business segments, including from domestic and foreign insurance companies, distributors, financial advisers, banks, asset managers and diversified financial institutions, both for the Group's ultimate customers and for distribution through third-party distribution channels. The Group is exposed to the risk of further changes in this highly competitive landscape which could have a material adverse effect on its business, results of operations, financial condition and prospects. • The Group is exposed to the risk of damage to any of its brands, brands of its partners or its reputation. This could cause potential customers, existing customers or Intermediaries to elect not to do business with the Group. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Group, which could make it more difficult for the Group to maintain its credit rating. • The Group has strategic alliances with ABN AMRO Bank N.V. and CZ and the termination of, or any change to, these alliances could have a material adverse effect on its business, revenues, profits or financial condition. • The Group's business is mainly concentrated in the Netherlands and Belgium. Therefore, the Group is particularly exposed to economic, market, fiscal and regulatory conditions in the Netherlands and Belgium and is highly susceptible to changes in any of these conditions. Negative conditions in these countries could have a material adverse effect on the Group's growth, business and results of operations.

		Regulatory and Litigation Risks • The Group is subject to comprehensive insurance, investment management, banking, pension and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative powers over the Group. These laws and regulations have been and will be subject to changes, the impact of which is uncertain. Failure to comply with applicable laws and regulations may trigger regulatory intervention which may harm the Group's reputation, and could have a material adverse effect on the Group's business, results of operations, potential to pay dividends, financial condition and prospects. If the Group is unable to make progress on the application of the partial internal model before 1 January 2017 or implement and have a Solvency II compliant partial internal model approved by DNB by 1 January 2018, this could have a material adverse effect on its business, solvency, results of operations and financial condition. • Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition. • Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, including stringent requirements in respect of regulatory capital and liquidity. Any adverse changes in such laws and regulations and/or changes in the interpretation of existing laws and regulations, could have an adverse effect on the Group's business, results of operations, financial condition and prospects. • In recent years, the financial services industry and financial products have increasingly been the subject of litigation, investigation and regulatory activity by various governmental, supervisory and enforcement authorities as well as private parties. • Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. • The Group's business could be negatively affected as a result of shareholder activism, which could destabilise the Group, cause the Group to incur significant expense, hinder execution of its capital management and other plans and impair the market value of its Ordinary Shares.

- The Group is exposed to the risk of mis-selling claims from customers who feel misled or treated unfairly. Over time, the regulatory requirements and expectations of various stakeholders, including customers, regulators and the public at large, as well as standards and market practice, have developed and changed, increasing customer protection. As a result, policyholders and consumer protection organisations may in the future initiate proceedings against the Group alleging that products sold in the past fail to meet current requirements and expectations. Claims and developments of this type could have a material adverse effect on the Group's business, reputation, results of operations, solvency, financial condition and prospects.
- The Dutch Intervention Act grants far-reaching additional powers to DNB and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as the Group, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including the Company, of its payment and other obligations under debt securities, or result in the expropriation, write-off, write-down, cancellation, or conversion of securities such as Ordinary Shares (including the Offer Shares) and debt obligations issued by the failing institution or its parent, including the Company.

Operational Risks

- The Group is subject to operational risks, which can originate from inadequate or failed internal Group processes and systems, the conduct of Group personnel and third parties, and from external events that are beyond the Group's control. If any of these operational risks were to occur, it could have a material adverse effect on the Group's business, results of operations, and financial condition.
- Increased exposure to cybercrime, cloud computing and data manipulation exposes the Group to financial and reputational risk. Any compromise of the security of the Group's IT systems could harm the Group's reputation, deter purchases of its products, subject the Group to heightened regulatory scrutiny or significant civil and criminal liability, and require that the Group incur significant technical, legal and other expenses, each of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.
- The Company's ability to declare and pay dividends to Shareholders may be constrained, as this ability is subject to its profitability, as well as regulatory, legal and financial restrictions, and the Company's solvency position.

		Financial Reporting Risks • There are significant differences in the valuation methods for assets and liabilities under IFRS and pursuant to Solvency II. The publication of materially different results due to the application of such different methods could have an impact on how the Ordinary Shares are valued and, in certain cases, could have a material adverse effect on the market price of the Ordinary Shares. The Group may choose to change its valuation methods, which could have an adverse effect on the Group's reported financial condition.
D.3	Key risks relating to the Offer Securities	***Risks Related to the Offering and the Offer Securities*** • The market price of the Ordinary Shares may fluctuate and may decline below the Issue Price. • The Company cannot assure that an active trading market for the Rights will develop and, if an active trading market does develop, the Rights may be subject to greater volatility than the Ordinary Shares. If the Offering fails completely or is terminated, the Rights will become worthless. • If Eligible Persons do not exercise their Rights in a proper and timely manner, they may not be able to subscribe for Offer Shares at the Issue Price and they may not receive any compensation for their unexercised Rights. • Subject to certain exceptions, Shareholders in certain jurisdictions may not be able to participate in the Offering or elect to receive share dividends, and such Shareholders' ownership and voting interests in Delta Lloyd's share capital will accordingly be diluted. • An Eligible Person's failure to validly exercise his or her Rights by the end of the Exercise Period will result in such Rights being no longer exercisable, and any Eligible Person failing to exercise all of his or her Rights, however held, will suffer dilution of his or her percentage ownership of the Group's Ordinary Shares. • The Offer Shares will not be freely transferable in the United States of America (the "United States" or "US"). • Additional equity offerings or future sales of Ordinary Shares by the Group, or the possibility of such offerings or future sales, could have a material adverse effect on the price of the Ordinary Shares and interests of Shareholders. • In case the Rump Offering is unsuccessful, the Underwriters may obtain a significant interest in Delta Lloyd and their interests may differ from the interests of other Shareholders. • Under certain circumstances, the Underwriting Agreement (as defined in E3) can be terminated by the Joint Bookrunners, on behalf of the Underwriters, which may result in the Offering being withdrawn.

		• If the Offering does not take place on the Settlement Date and the Offering is withdrawn, whether or not as a result of a termination of the Underwriting Agreement, the Group's credit ratings and funding costs could be adversely affected, and the price of the Group's Ordinary Shares could drop sharply. In either case, the Rights could become worthless. • The holding and acquisition of the Ordinary Shares may require notifications to and approvals from competent authorities, which could impede the Company's future efforts to raise additional capital, discourage takeover attempts and impair the market value of the Ordinary Shares. • The Articles of Association and the call option in favour of Foundation Continuïteit Delta Lloyd contain protection provisions that may prevent or discourage takeover attempts that may be favourable to the Shareholders. • The rights and responsibilities of a Shareholder are governed by Dutch law and will differ in some respects from the rights and obligations of Shareholders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a Shareholder established under the laws of some other jurisdictions. • The ability of Shareholders in certain countries other than the Netherlands or Belgium, in particular in the United States, to bring an action against the Company or some or all of the members of the Executive Board and/or Supervisory Board may be limited under law. • Exchange rate fluctuations and controls could result in investors receiving less dividend payments than expected in the event exchange controls are imposed or modified by authorities. • If securities or industry analysts do not publish research reports about the Group's business or industry, or if such analysts change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline. • Dealings in the Offer Securities could be subject to a future European Financial Transactions Tax. • Possible FATCA withholding after 2018 may mean that certain "foreign passthru payments" made by a non-US financial institution are subject to 30% withholding.

Section E—Offer		
E.1	Net proceeds and estimated expenses	The Company expects that the Offering will raise net proceeds of approximately EUR 627.4 million after deducting the estimated expenses, commissions and taxes related to the Offering of approximately EUR 21.2 million.
E.2a	Use of proceeds and reasons for the Offering	**Use of Proceeds** The Company expects the net proceeds of the Offering (after underwriter's commissions and estimated transaction related expense) to be approximately EUR 627.4 million. The Offering is a critical component of the Group's Capital Plan and the receipt of its gross proceeds is expected to add approximately 25% points to the Group's Solvency II ratio (SF). The Company intends to use the net proceeds to strengthen its capital base, thereby supporting its financial position and the execution of its strategy as it transitions into the new Solvency II regime, which became effective on 1 January 2016. The Company expects the net proceeds of the Offering, together with funds received by the Company from the intended sale of Van Lanschot and working capital optimisation, will give it a cash buffer to better position it to be able to pay cash dividends and recapitalise other parts of the Group as needed (the ability to provide such support underpins the ability to recognise LAC DT in the Group's Solvency II ratio (SF)). In addition, the Company expects the net proceeds of the Offering to reduce its reliance on its commercial paper programme and to enable it to repay long term debt, potentially including subordinated debt, as it decides desirable in the future. The Company targets a cash buffer of 150% of its estimated annual finance and operational expenses, target dividend payout amount, Group recapitalisation reserve and LAC DT recovery plan. **Rationale for the Offering** The Group does not currently operate in its Solvency II ratio (SF) target-range of 140% to 180% (as of 31 December 2015, its Solvency II ratio (SF) was 131%[6]). Notwithstanding the management actions already completed and further actions management plans to take, as well as the improved regulatory clarity compared to 30 November 2015, the Group has concluded that it needs to further strengthen the capital position of the Company. While the Group remains confident in the capital generating capacity of its underlying business, the capital position of the Company needs to be bolstered to allow the Group to succeed under the new Solvency II regulatory regime and operate with appropriate leverage, capital and liquidity at the Company level. The Group believes that raising additional equity capital through the Offering, in addition to ongoing management actions, is necessary to achieve this. The receipt of the gross proceeds of the Offering is expected to add approximately 25% points to the Solvency II ratio (SF). Pro forma for the completion of the Offering, the Company estimates that its Solvency II ratio (SF) would have been 156% as of 31 December 2015 based on the expected gross proceeds of the Offering.

6 The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

		The Executive Board and the Supervisory Board considered and studied other options to strengthen the Company's capital position, such as gradually accruing capital over time, or implementing a significant structural de-risking strategy, or a combination of these options. However, management believes pursuing these options would leave the Group more exposed and jeopardise the position of its stakeholders, including the shareholders. Given the capital of the Company under Solvency II, the Group believes raising additional equity capital by means of the Offering is a critical and necessary step in repositioning the Group to deliver its strategy under the new Solvency II regime for the benefit of its shareholders. Based on its completed management actions, and assuming the completion of the Offering, the Group expects to reach a solvency position within its target range of 140% to 180%, which it believes will allow the Group to absorb reasonable stress scenarios and the remaining material Solvency II uncertainties, and give it a strong foundation from which to execute its strategy and deliver customer-focused, profitable and capital-generative new business. The Group aims to build towards the upper half of its target range by the end of 2016. The Group also considers the Offering necessary to protect its credit rating, which will in turn support its business model.
E.3	Terms and conditions of the Offering	**Issue Price** EUR 2.85 per Offer Share **Pre-emptive rights** The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders in respect of the Offering have been excluded. **Record Date** The Record Date for determining the Shareholders who will receive Rights is immediately after the closing of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels at 17:40 hours CET on 23 March 2016 (the "Record Date"). Until the close of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels on the Record Date, Ordinary Shares will trade with Rights (*cum*-Rights). As from 09:00 hours CET on 24 March 2016, Ordinary Shares will trade without the Rights (*ex*-Rights). **Rights** Existing Shareholders (excluding the Company in respect of the Ordinary Shares it holds in treasury) at the Record Date are being granted Rights in registered form to subscribe for the Offer Shares at the Issue Price. On the terms set out in the Prospectus, Eligible Persons may, subject to applicable securities laws, subscribe for Offer Shares by exercising Rights during the Exercise Period. Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels at 17:40 CET on the Record Date will entitle its holder to one Right. Eligible Persons will be entitled to subscribe for one Offer Share for every one Right held until the end of the Exercise Period. No fractional Offer Shares will be issued.

		Exercise Period The exercise period for the Rights is from 09:00 CET on 24 March 2016 up to 14:00 CET on 7 April 2016 (the "Exercise Period"). The time by which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held. Shareholders should speak to their financial intermediaries to determine the time by which they need to execute their Rights. Any Rights not exercised by an Eligible Person by the end of the Exercise Period, may no longer be exercised. Once an Eligible Person has validly exercised his Rights, that exercise cannot be revoked or modified, except if the Company changes a material term of the Offering or amends the Prospectus in any material respect leading to a supplement to the Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act. In such event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke or modify the exercise. **Rump Offering** The Joint Bookrunners have agreed, on behalf of the Underwriters (as defined below), subject to the terms and conditions of the underwriting agreement dated 23 March 2016 between the Company and the Underwriters (the "Underwriting Agreement"), to use their reasonable endeavours to procure subscribers for any Offer Shares that were issuable upon the exercise of the Rights but that have not been subscribed for during the Exercise Period (the "Rump Shares") through private placements to institutional investors in the Netherlands and in certain other eligible jurisdictions, including in the United States to qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such subscribers (including any value added tax). The Underwriters, severally and not jointly or jointly and severally, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement. The Rump Offering, if any, is expected to commence as soon as reasonably practicable after the expiry of the Exercise Period and in any event by no later than 17:30 CET on the trading day after the expiry of the Exercise Period. **Unexercised Rights Payment** If, upon completion of the Rump Offering, if any, the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, exceed the aggregate Issue Price for such Rump Shares, such amount will constitute the "Excess Amount". Each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive from the Underwriters, except as noted below, a payment in respect of such holder's unexercised Rights (the "Unexercised Rights

		Payment"). If the Excess Amount divided by the total number of unexercised Rights is less than EUR 0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights, and instead, any such Excess Amount will be retained by the Underwriters for their own benefit. The Company will announce whether Unexercised Rights Payments are available for payment to holders of unexercised Rights by means of a press release published in the Netherlands and placed on the Company's website. The Unexercised Rights Payment, if any, will be paid to holders of unexercised Rights as soon as practicable after the Settlement Date and will be credited to those holders through the facilities of Euroclear Nederland ("Euroclear Nederland"). Unexercised Rights Payments will be made in euro only without interest and after withholding of any applicable taxes. The Company, the Underwriters and the Subscription, Listing and Paying Agent (as described below) cannot guarantee that the Rump Offering, if any, will be successfully completed. If the Rump Offering takes place, none of the Company nor the Underwriters, the Subscription, Listing and Paying Agent, or any other person procuring purchasers for the Rump Shares, will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering. The holders of unexercised Rights have no claim against the Company, the Underwriters, the Subscription, Listing and Paying Agent or any other party in respect of any Unexercised Rights Payment. If the Rump Offering is not successfully commenced on or about 7 April 2016 or commences but does not close, holders of unexercised Rights will not receive any payment in respect thereof. The Company will not be entitled to receive any part of any Excess Amount. **Payment and Delivery** A holder of Rights that exercises its Rights should pay the Issue Price for the Offer Shares subscribed for in accordance with the instructions it receives from the financial intermediary through which it holds the Rights. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn, after deduction of applicable fees and expenses, pay it into an account in the name of the Company. Payment for the Offer Shares must be made to the Subscription, Listing and Paying Agent no later than 10:00 am CET on the Settlement Date, which is expected to be on 11 April 2016. Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date. Payment for and delivery of the Offer Shares is expected to take place on 11 April 2016. Delivery of the Offer Shares will take place through the book-entry system of Euroclear Nederland. **Underwriters:** Goldman Sachs International, Merrill Lynch International, Barclays Bank PLC, ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank). **Subscription, Listing and Paying Agent:** ABN AMRO Bank N.V. **Conditions to the Offering and Termination Rights** The Underwriting Agreement provides that the obligations of the Underwriters thereunder are subject to the following conditions: (i) the approval of the Prospectus by the AFM being in full force and

		effect, (ii) receipt of opinions on certain legal matters from counsel, relating to, amongst other things, the Company, the Underwriting Agreement, the Prospectus, the Rights and the Offer Shares, (iii) receipt of customary officers' certificates, (iv) the absence of a material adverse change, or any development reasonably likely to involve a material adverse change, in the financial condition or in the prospects, earnings, solvency, liquidity position, funding position, business or operations of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (v) the admission of the Rights to listing and trading on Euronext in Amsterdam and Euronext in Brussel occurring no later than 9:00 a.m. CET on 24 March 2016 (or such later time and/or date, being no later than 7 April 2016, as the Company and the Joint Bookrunners may agree) and (vi) the Company not having published an amendment or supplement to the Prospectus in order to ensure that it reflects an important new event or does not contain an untrue statement of, or omits to state, a material fact and (vii) other customary closing conditions, most notably in respect of the accuracy of warrants by the Company, required disclosures by the Company having been made and the Company having complied with the terms of the Underwriting Agreement. In addition, the Joint Bookrunners, on behalf of the Underwriters, have the right to terminate the Underwriting Agreement in certain customary circumstances including, but not limited to (i) the occurrence of a material adverse change in the financial condition or in the prospects, earnings, solvency, liquidity position, funding position, business or operations of the Group, (ii) certain changes in the financial, political or economic conditions and (iii) a statement in the Prospectus or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading. If settlement does not take place on the Settlement Date as planned or at all, the Offering will be withdrawn, the obligations of the Underwriters to procure subscribers for, or themselves to subscribe and pay for any Rump Shares or Offer Shares (as the case may be) will lapse and both the exercised and unexercised Rights will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by the Company will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market.
E.4	Interests material to the Offering (including conflicting interests)	Certain of the Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or its affiliates, in respect of which they have received, and may in the future receive, customary fees and commissions. In addition, the Company has a joint venture with ABN AMRO Bank N.V. As a result of these transactions and relationships, these mentioned parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or with the interests of the Company. On 16 March 2016, Fubon and the Company signed the Fubon Heads of Agreement agreeing that pending discussions concerning an enhanced partnership should continue and detailing certain

		arrangements which are intended to form the basis for further discussion. In the Fubon Heads of Agreement, Fubon agreed that it would exercise the Rights in respect of the Ordinary Shares it holds on the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights. In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share. See "*B.3 Key Factors relating to the nature of the Group's operations and its principal activities—Summary of the Business—Recent Developments*".
E.5	Person or entity offering to sell the securities and lock-up arrangements	The Company will be issuing and offering the Rights and the Offer Shares. The Company undertakes to each of the Underwriters that, without the prior written consent of the Global Coordinator, on behalf of the Underwriters, it will not, during the period ending 180 days after the Settlement Date, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for such Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Ordinary Shares, whether any such transaction described in (1) or (2) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence does not apply upon the exercise of an option or warrant or the conversion of a security outstanding on the date of the Underwriting Agreement of which the Underwriters have been advised in writing and any issuances or payments under employee remuneration or incentive schemes as applicable in the Company.
E.6	Dilution	Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Rights Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 49.9% as a result of the issue of the Offer Shares.
E.7	Estimated expenses charged to the investors by the Company	Not applicable. No expenses have been or will be charged to investors by the Company in relation to the Offering.

SAMENVATTING (Nederlands)

Dit hoofdstuk bevat een Nederlandse vertaling van de Engelstalige samenvatting van het prospectus gedateerd 23 maart 2016. In geval van een mogelijke discrepantie in uitleg prevaleert de Engelstalige samenvatting van het prospectus.

Samenvattingen van prospectussen bestaan uit informatievereisten die "Elementen" worden genoemd. Deze Elementen zijn genummerd in de Afdelingen A-E (A.1—E.7). De onderhavige samenvatting bevat alle Elementen die moeten worden opgenomen in een samenvatting voor dit type effecten en uitgevende instelling. Omdat sommige Elementen niet verplicht zijn, kan de nummering van de Elementen verspringen. Verder kan het zijn dat voor een Element dat vanwege het type effecten en uitgevende instelling in een samenvatting moet worden opgenomen, geen relevante informatie kan worden verstrekt. In dit geval dient een korte omschrijving van het Element in de samenvatting te worden opgenomen met de vermelding "niet van toepassing".

Afdeling A—Inleiding en waarschuwingen		
A.1	Inleiding en waarschuwingen:	Deze samenvatting dient te worden gelezen als inleiding op onderhavig document (tezamen met de documenten waarnaar in onderhavig document wordt verwezen, hierna te noemen het "Prospectus") met betrekking tot de uitgifte van 227.567.943 nieuwe gewone aandelen in Delta Lloyd N.V. (de "Vennootschap" en tezamen met haar dochterondernemingen hierna te noemen "de Groep") met een nominale waarde van EUR 0.20 (de "Gewone Aandelen") tegen een uitgifteprijs van EUR 2,85 (de "Uitgifteprijs") per aangeboden aandeel (de "Aangeboden Aandelen"). Met inachtneming van de toepasselijke effectenwetgeving en de voorwaarden zoals beschreven in dit Prospectus, worden aan de houders van Gewone Aandelen (de "Aandeelhouders") op de Registratiedatum (zoals gedefinieerd in het onderstaande Element E.3) overdraagbare inschrijvingsrechten toegekend voor de inschrijving op de Aangeboden Aandelen (de "Rechten") in verhouding tot hun deelneming in de Vennootschap (het "Aanbod van Rechten"). De aanbieding (de "Aanbieding") bestaat uit: het Aanbod van Rechten en de rump aanbieding zoals beschreven in het onderstaande Element E.3 (de "Rump Aanbieding"). Iedere beslissing door de belegger om in de Aangeboden Aandelen (tezamen met de Rechten te noemen de "Aangeboden Effecten") te beleggen dient gebaseerd te zijn op bestudering van het gehele Prospectus. Wanneer een vordering met betrekking tot de informatie in het Prospectus bij een rechterlijke instantie aanhangig wordt gemaakt, kan het zijn dat de belegger die als eiser optreedt volgens de nationale wetgeving van de lidstaten van de Europese Economische Ruimte ("EER") de kosten voor de vertaling van het Prospectus moet dragen voordat de rechtsvordering wordt ingesteld. Uitsluitend de personen die de samenvatting, met inbegrip van een eventuele vertaling ervan, hebben ingediend, kunnen wettelijk aansprakelijk worden gesteld, maar alleen indien de samenvatting, wanneer deze samen met de andere delen van het Prospectus wordt gelezen, misleidend, onjuist of inconsistent is of indien deze, wanneer deze samen met de andere delen van het Prospectus wordt gelezen, geen kerngegevens verstrekt om beleggers te helpen bij hun overweging ten aanzien van de vraag of zij in de Aangeboden Effecten zullen investeren.
A.2	Toestemming, indicatie, voorwaarden en kennisgeving	Niet van toepassing; er is geen sprake van doorverkoop of definitieve plaatsing van de effecten via financiële intermediairs.

Afdeling B—Uitgevende Instelling		
B.1	Statutaire naam en handelsnaam van de vennootschap	Delta Lloyd N.V.
B.2	Vestigingsplaats, rechtsvorm, wetgeving en land van oprichting.	De Vennootschap is een naamloze vennootschap naar Nederlands recht en is gevestigd in Nederland. De Vennootschap heeft haar statutaire zetel in Amsterdam, Nederland.
B.3	Kerngegevens die verband houden met de aard van de werkzaamheden en belangrijkste activiteiten van de Groep	**SAMENVATTING VAN DE BEDRIJFSACTIVITEITEN** ***Inleiding*** De Groep is een financiële dienstverlener die op haar doelmarkten Nederland en België producten en diensten op het gebied van levensverzekeringen, pensioenen, schadeverzekeringen, vermogensbeheer en bancaire producten aanbiedt. De Groep hanteert op haar doelmarkten een multi-brand, multi-channel strategie om zich te positioneren in de verschillende distributiekanalen en klantensegmenten. De voornaamste verschillen tussen de vier belangrijkste Nederlandse verzekeringsmerken van de Groep, te weten Delta Lloyd, BeFrank, ABN AMRO Verzekeringen en OHRA, vloeien voort uit de positionering, prijsstelling, marketing en distributie van hun respectieve producten. *Bedrijfssegmenten* Hieronder volgen de vier belangrijkste bedrijfssegmenten van de Groep. Elk van deze segmenten is ook een rapportagesegment in de jaarrekening van de Groep: • *Leven*: Via haar verschillende merken biedt de Groep een scala aan producten aan. Deze variëren van eenvoudige verzekeringsproducten tot op maat gemaakte en vaak geavanceerde individuele en collectieve verzekeringsproducten, alsook basisdiensten op het gebied van sparen en financiële planning. De kernproducten van de Groep op het gebied van levensverzekeringen zijn pensioenproducten (met name collectief pensioen) en administratieve diensten voor collectieve klanten en traditionele en unit-linked (d.w.z. aan beleggingseenheden gekoppelde) levensverzekeringen en spaarproducten voor particuliere klanten. In Nederland biedt de Groep individuele en collectieve levensverzekeringen met name aan onder de merknamen Delta Lloyd, BeFrank, ABN AMRO Verzekeringen en OHRA. Daarbij wordt gebruik gemaakt van verschillende klant- en prijsstellingsstrategieën via onafhankelijke intermediairs, zoals onafhankelijke financiële adviseurs, erkende agenten (gevolmachtigde agenten met betrekking tot schadeverzekeringen), verzekeringsadviesbureaus (met betrekking tot collectieve levensverzekeringen) en assurantiemakelaars (tezamen te noemen “Intermediairs”), via een joint venture (ABN AMRO Levensverzekering) tussen de Groep en ABN AMRO Bank N.V. (het specifieke label van de Groep voor Bancassurance (bankverzekering, zoals hieronder gedefinieerd) alsook directe (OHRA) distributiekanalen. Via BeFrank biedt Delta Lloyd sinds 2011 collectieve toegezegdebijdragenregelingen (tweede pijler) aan. BeFrank is een Premie Pensioen Instelling

		("PPI"). Dit is, naast verzekeraars en pensioenfondsen, een nieuw type pensioenuitvoerder op de Nederlandse markt die innovatieve pensioenproducten voor een betrekkelijk lage prijs aanbiedt. In België verkoopt de Groep individuele en collectieve levensverzekeringen voornamelijk onder de merknaam Delta Lloyd. Deze verzekeringen worden gedistribueerd via assurantiemakelaars, banken en gespecialiseerde remuneratieadviseurs. In de boekjaren eindigend op 31 december 2015 en 31 december 2014 realiseerde de Groep met haar levensverzekeringsactiviteiten respectievelijk EUR 2.683,7 miljoen en EUR 2.626,6 miljoen aan bruto premie-inkomen. • *Schade:* De Groep biedt met name in Nederland een breed assortiment schadeverzekeringsproducten aan, waaronder producten zoals motorrijtuigen-, brand-, aansprakelijkheids-, inkomens- en arbeidsverzuim- en scheepvaart-/pleziervaartuigenverzekeringen. De schadeverzekeringsproducten van de Groep worden zowel aan particuliere als aan zakelijke klanten in Nederland gedistribueerd onder de drie verzekeringsmerken van de Groep. Hierbij wordt gebruik gemaakt van vergelijkbare distributiekanalen als die welke worden gebruikt voor haar levensverzekeringactiviteiten. De Groep treedt ook op als distributeur van een aantal zorgverzekeringsproducten die door CZ (Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep en Onderlinge Waarborgmaatschappij CZ Groep Aanvullende Verzekering Zorgverzekeraar) verzekerd worden, waarvan de prijsstelling door de Groep wordt verzorgd en welke onder de merknamen Delta Lloyd en OHRA worden verkocht. De Groep ontvangt hiervoor vergoedingen en provisies. In de boekjaren eindigend op 31 december 2015 en 31 december 2014 realiseerde de Groep met haar schadeverzekeringsactiviteiten respectievelijk EUR 1.354,7 miljoen en EUR 1.336,7 miljoen aan bruto premie-inkomen. • *Asset Management:* De Groep investeert het eigen risicovermogen van de Groep en het vermogen van polishouders, verzorgt beleggingsbeheerdiensten voor institutionele pensioenfondsen en beheert een reeks retail beleggingsproducten, inclusief beleggingsfondsen. Het segment Asset Management omvat de activiteiten van Delta Lloyd Asset Management N.V. ("Delta Lloyd Asset Management" of "DLAM"). Het productaanbod van de Groep omvat een reeks beleggingsfondsen voor institutionele klanten en retail klanten en discretionaire mandaten voor institutionele klanten. Daarnaast beheert zij vastgoedfondsen namens de Groep en derde-investeerders. Delta Lloyd Asset Management beheert bepaalde activa namens de segmenten Leven en Bank van de Groep en heeft een adviserende rol met betrekking tot andere activa. Wat betreft de institutionele fondsen vinden de verkopen hoofdzakelijk plaats via de gespecialiseerde verkoopteams van de segmenten. Voor verkopen aan retailbeleggers vertrouwt Delta Lloyd Asset Management doorgaans op

		banken buiten de Groep in Nederland en België, hoewel een klein deel van de retailfondsverkopen (unit-linked verzekeringen) worden gedistribueerd via de eigen distributiekanalen van de Groep. In Nederland worden de fondsen voor het merendeel gedistribueerd door Nederlandse retailbanken, zoals ABN AMRO Bank N.V., Coöperatieve Rabobank U.A. (Rabobank) en ING Bank N.V. Per 31 december 2015 bedroeg het beheerde vermogen EUR 59,4 miljard, waarvan EUR 23,8 miljard ten behoeve van derden werd beheerd. Per 31 december 2014 bedroeg het door het segment Asset Management beheerde vermogen EUR 72,1 miljard, waarvan EUR 29,6 miljard ten behoeve van derden werd beheerd. • *Bank*: De Groep biedt in Nederland een beperkte reeks bancaire producten en diensten aan. De producten bestaan uit hypothecaire leningen, bancaire lijfrentes, spaarproducten en fondsbeleggingen. Deze producten worden in hoofdzaak via Intermediairs gedistribueerd. De bankzaken van de Groep worden uitgevoerd via Delta Lloyd Bank Nederland. Het segment Bank van de Groep verzorgt ook hypothecaire diensten, voornamelijk aan andere entiteiten van de Groep. De stapsgewijs ingevoerde tier 1-kernkapitaalratio van het segment Bank was 12,4% per 31 december 2015. Bij een "stapsgewijs ingevoerde" ratio wordt alleen rekening gehouden met reglementaire voorschriften vanaf het moment dat deze van kracht worden (en niet met reeds bekende voorschriften die pas in de toekomst van kracht worden). In Nederland verstrekt de Groep hypothecaire leningen via Amstelhuys N.V. ("Amstelhuys"). Amstelhuys is een 100%-dochteronderneming van de Vennootschap, die wordt verantwoord in de Corporate en overige activiteiten van de Groep en die geen onderdeel uitmaakt van het bedrijfssegment Bank. Het bedrijfssegment Bank van de Groep verleent haar diensten met betrekking tot de door Amstelhuys verstrekte hypothecaire leningen in ruil voor een vergoeding. De totale hypotheekportefeuille van de Groep bedroeg per 31 december 2015 EUR 13,3 miljard, vergeleken met EUR 16,7 miljard (inclusief hypothecaire leningen bij Delta Lloyd Bank België N.V. ("Delta Lloyd Bank België") en Delta Lloyd Deutschland A.G. ("Delta Lloyd Duitsland")) per 31 december 2014. ***Multi-brand en Multi-channel*** De vier hoofdmerken van de Groep in Nederland zijn Delta Lloyd, BeFrank, ABN AMRO Verzekeringen en OHRA. Met het merk Delta Lloyd richt de Groep zich in hoofdzaak op retailklanten en commerciële klanten in het midden- en hogere segment van de levensverzekerings- en schadeverzekeringsmarkt. De distributie vindt voornamelijk plaats via Intermediairs. Met het merk ABN AMRO Verzekeringen heeft de Groep een speciaal label voor bankverzekeringen. ABN AMRO Verzekeringen richt zich in hoofdzaak op particulieren, maar heeft ook een

		aanzienlijk aantal collectieve en commerciële klanten in het middensegment van de levensverzekerings- en schadeverzekeringsmarkt. Er wordt daarbij gebruik gemaakt van het distributienetwerk van ABN AMRO, dat bestaat uit bankfilialen, callcenters en internet- en mobiel bankieren. De Groep heeft sinds 2003 een joint venture met ABN AMRO Bank N.V. Via het merk OHRA biedt de Groep overlijdensrisicoverzekeringen, schadeverzekeringen en zorgverzekeringen aan. Deze producten worden in hoofdzaak gedistribueerd via rechtstreekse distributiekanalen (inclusief distributie via internet- en mobiele platforms). De Groep is voornemens om het merk OHRA geleidelijk af te bouwen wat betreft bankproducten en nieuwe levensverzekeringen, met uitzondering van overlijdensrisicoverzekeringen, en om in plaats daarvan het merk Delta Lloyd te gebruiken. Naar verwachting zal dit in de loop van 2016 worden gerealiseerd. BeFrank is een PPI. Dit is, naast verzekeraars en pensioenfondsen, een nieuw type pensioenuitvoerder op de Nederlandse markt die innovatieve pensioenproducten voor een betrekkelijk lage prijs aanbiedt. Via BeFrank biedt Delta Lloyd sinds 2011 collectieve toegezegdebijdragenregelingen aan. In België distribueert de Groep haar verzekeringsproducten via assurantiemakelaars, bankkanalen en gespecialiseerde remuneratieadviseurs. De producten van het segment Bank van de Groep worden voornamelijk gedistribueerd onder de merknaam Delta Lloyd. De Groep heeft uitgebreide distributienetwerken en omvangrijke klantenbestanden in Nederland en België. Volgens de Vennootschap biedt dit een platform voor verdere groei op ontwikkelde markten. *Recente ontwikkelingen* De Raad van Commissarissen van de Vennootschap (de “Raad van Commissarissen”) is voornemens om twee of drie nieuwe leden te nomineren voor de Raad van Commissarissen die tijdens de jaarlijkse algemene vergadering van aandeelhouders (het vennootschappelijk orgaan of, indien de context dat vereist, de fysieke vergadering; hierna de “Algemene Vergadering”) van 19 mei 2016 van de Vennootschap zouden moeten worden benoemd. De Nederlandsche Bank (“DNB”) en de Autoriteit Financiële Markten (de “AFM”) hebben de geplande benoeming van één lid, senior financieel specialist met bestuurservaring en meer dan 25 jaar werkzaam geweest in het Britse levensverzekerings bedrijfsleven, met name op het gebied van verzekeringen en risicobeheer, reeds goedgekeurd. De Raad van Commissarissen is voornemens, afhankelijk van de selectieprocedure en de integriteits- en geschiktheidsbeoordeling van DNB en de AFM nog een tweede kandidaat voor de Raad van Commissarissen van de Vennootschap voor te dragen. Dit extra lid zal zich met name moeten richten op IT, e-commerce, digitale marketing en big data. De Raad van Commissarissen is voornemens, afhankelijk van de selectieprocedure en de integriteits- en geschiktheidsbeoordeling van DNB en de AFM, nog een derde kandidaat voor de Raad van Commissarissen van de Vennootschap voor te dragen. Dit extra lid zal een senior verzekeringsspecialist zijn, met uitgebreide internationale senior management ervaring, en een sterk seniore, financiële, commerciële, strategische en algemene

		management achtergrond hebben. De Vennootschap zal een persbericht doen uitgaan indien en wanneer deze benoemingen plaatsvinden. Op 16 maart 2016 heeft een buitengewone algemene vergadering van de Vennootschap plaatsgevonden waarin de Aandeelhouders onder andere hebben besloten het Aanbod van Rechten goed te keuren. Op 16 maart 2016 hebben Fubon Life Insurance Co., Ltd ("Fubon") en de Vennootschap een Heads of Agreement getekend en zijn daarmee overeengekomen dat de lopende discussies met betrekking tot een versterkt partnerschap worden voortgezet en waarin bepaalde regelingen die zijn bedoeld om de basis te vormen voor verdere discussie zijn uitgewerkt (de "Fubon Heads of Agreement"). Fubon is een dochteronderming van Fubon Financial Holding Co., Ltd., een financiële holding die financiële diensten aanbiedt in Taiwan, Hong Kong en China, met inbegrip van bankieren, verzekeren en vermogensbeheer. Op grond van de Fubon Heads of Agreement: • Heeft Fubon zich ertoe verbonden om te stemmen in het voordeel van de Aanbieding tijdens de Bijzondere Algemene Vergadering van Aandeelhouders en om alle Rechten uit te oefenen die aan haar worden toegekend op grond van haar toenmalige belang van 7,13% van de aandelen in de Vennootschap, alsmede ten aanzien van ieder ander Gewoon Aandeel verworven voor de toekenningsdatum van de Rechten. Fubon zal dezelfde Uitgifteprijs betalen als andere houders die hun Rechten uitoefenen. • Heeft de Vennootschap ingestemd om (via de Raad van Commissarissen) een door Fubon voor te dragen persoon te nomineren voor benoeming in de Raad van Commissarissen en haar Aandeelhouders aan te bevelen vóór de benoeming van deze persoon te stemmen, en zich anderszins in redelijkheid in te spannen om de benoeming van deze persoon in de Raad van Commissarissen te realiseren, zolang Fubon ten minste een belang van 15% (op volledig verwaterde basis) in de aandelen van de Vennootschap houdt, onder voorbehoud van (i) het behalen van de door Fubon genomineerde persoon van de geschiktheidstoets en betrouwbaarheidstoetst van DNB en ECB en (ii) van afronding van het verplichte proces van werknemersconsultatie. • Indien Fubon een belang van 15% (op volledig verwaterde basis) in de Vennootschap heeft verworven, zullen Fubon en de Vennootschap prompt te goede trouw in onderhandeling treden over het aangaan van een relatie-overeenkomst op voorwaarden die gebruikelijk zijn voor relatie-overeenkomsten in Nederland, met inbegrip van de gebruikelijke standstill regelingen (dat wil zeggen dat Fubon aar belang in de Vennootschap niet zal verhogen boven 20% zonder de voorafgaande schriftelijke toestemming van de Vennootschap) en bepalingen betreffende de uitwisseling van informatie en Fubon's nomineringsrecht zoals hierboven beschreven. • Is de Vennootschap overeengekomen om alle maatregelen te treffen die redelijkerwijze worden verzocht door Fubon zodat Fubon goedkeuring kan verkrijgen, met inbegrip van een verklaring van geen bezwaar, van DNB en ECB voor

		het uitbreiden van haar belang boven de 10% en is de Vennootschap overeengekomen om Fubon redelijkerwijze te ondersteunen bij de verkrijging van de benodigde wettelijke en reglementaire goedkeuringen in haar jurisdictie. Bovendien, op basis van de Fubon Heads of Agreement (waarin erkend wordt dat Fubon een belang van 15% (op volledig verwaterde basis) in de Vennootschap wenst te verwerven) kan Fubon, onder voorbehoud van het verkrijgen van regulatoire goedkeuring, in het kader van de Rump Aanbieding, een belangrijk deel van de Rump Aandelen verwerven. Alle kopers van Rump Aandelen zullen dezelfde prijs per Rump Aandeel betalen. Na de voorafgaande principe-goedkeuring van de Joint Bookrunners te hebben verkregen, is de Vennootschap in de Fubon Heads of Agreement met Fubon overeengekomen ervoor te zullen zorgdragen dat de Joint Bookrunners Fubon zullen opnemen als sub-underwriter met betrekking tot de Aanbieding. Echter, Fubon heeft aan de Vennootschap en de Joint Bookrunners bevestigd dat zij heeft besloten om niet als sub-underwriter deel te nemen en, ter vermijding van misverstand, Fubon zal geen vergoeding van de Vennootschap of de Underwriters ontvangen in het kader van de Aanbieding. Op 4 maart 2016 heeft een aandeelhouder, Highfields Capital Management LP ("Highfields") voor de Ondernemingskamer te Amsterdam een gerechtelijke procedure (*enquêteprocedure*) ingesteld die ertoe strekte een onafhankelijk onderzoek af te dwingen naar het beleid en de gang van zaken binnen de Vennootschap vanaf 1 augustus 2015 en daartoe de Ondernemingskamer over te laten gaan tot de benoeming van een onafhankelijke deskundige om een dergelijk onderzoek uit te voeren. Highfields' verzoek voor de Ondernemingskamer bevatte ook, bij wijze van onmiddellijke voorziening, het in stemming brengen van het Aanbod van Rechten tijdens de voor 16 maart 2016 geplande buitengewone algemene vergadering te verbieden. Een andere aandeelhouder, Fubon Life Insurance Co., Ltd., ("Fubon"), heeft zich op 10 maart 2016 in een bij de Ondernemingskamer te Amsterdam ingediende verklaring achter de verzoeken van Highfields geschaard, zij het zonder zelf een vordering in te stellen. Op 14 maart 2016 heeft de Ondernemingskamer te Amsterdam het verzoek van Highfields met betrekking tot de voorlopige voorziening afgewezen. De Ondernemingskamer heeft nog geen beslissing genomen over het verzoek van Highfields tot het instellen van een onafhankelijk onderzoek naar het beleid en de gang van zaken binnen de Vennootschap. Met het oog op het spoedeisend belang in deze gerechtelijke procedure, werd tijdens de hoorzitting die plaatsvond op 14 maart 2016 alleen Highfields' verzoek tot een onmiddellijke voorziening behandeld. De Ondernemingskamer neemt later een beslissing over het verzoek tot onafhankelijk onderzoek en een aparte hoorzitting om de argumenten van partijen te horen zal daarvoor worden gelast. Op 24 februari 2016 heeft de Raad van Commissarissen bekendgemaakt dat zij voornemens is om Leon van Riet (1951) te benoemen tot lid van de Raad van Bestuur. De Raad van Commissarissen zal de aandeelhouders informeren over de voorgenomen benoeming van Leon van Riet op de Algemene Vergadering van 19 mei 2016, die zal worden gevolgd door zijn

		officiële benoeming door de Raad van Commissarissen. Leon van Riet is de opvolger van Onno Verstegen, die op 1 februari 2016 terugtrad als lid van de Raad van Bestuur. DNB en de AFM hebben de geplande benoeming goedgekeurd. Leon van Riet heeft sinds 1999 verscheidene functies binnen de Groep bekleed en is sinds oktober 2010 Algemeen Directeur van Delta Lloyd Levensverzekering N.V. Leon van Riet is per 1 maart 2016 aangetreden bij de Groep als nieuw lid van de Raad van Bestuur. Op 23 december 2015 heeft de Groep bekendgemaakt dat zij haar retailportefeuille voor EUR 273 miljoen heeft verkocht aan European Property Investors Special Opportunities 4 (“EPISO 4”). De verkoop omvatte 15 winkelcentra en winkelpanden op toplocaties in Nederland. Met deze verkoop heeft de Groep haar hele portefeuille commercieel vastgoed afgestoten. Op 16 november 2015 heeft de Raad van Commissarissen van de Vennootschap bekendgemaakt dat zij voornemens is om Clifford Abrahams te benoemen tot Chief Financial Officer en lid van de Raad van Bestuur van de Vennootschap met ingang van 1 januari 2016. De Raad van Commissarissen heeft de aandeelhouders van de voorgenomen benoeming in kennis gesteld op de buitengewone vergadering van aandeelhouders van 16 maart 2016, waarna Clifford Abrahams officieel is benoemd. Op 13 november 2015 heeft de Groep haar portefeuille met beleggingen in Nederlands kantoorvastgoed voor EUR 226 miljoen verkocht aan de in Singapore gevestigde First Sponsor Group Limited (Ltd). De portefeuille bestaat uit 18 kantoorpanden op toplocaties in Nederland, waarvan er 16 volledig eigendom en 2 gedeeltelijk eigendom van de Groep waren. Sommige van deze panden, met inbegrip van de Mondriaantoren in Amsterdam, worden gebruikt door de Groep en de Groep zal als huurder in deze panden gevestigd blijven. Met deze verkoop heeft de Groep vrijwel haar hele portefeuille Nederlands kantoorvastgoed afgestoten. Op 21 augustus 2015 heeft de Raad van Commissarissen bekendgemaakt dat Rob Ruijter met ingang van 1 oktober 2015 wordt benoemd tot opvolger van Jean Frijns als Voorzitter van de Raad van Commissarissen van de Vennootschap. Rob Ruijter is sinds 2014 lid van de Raad van Commissarissen. Op 22 juli 2015 heeft de Groep bekendgemaakt dat de verkoop van Delta Lloyd Bank België N.V. (“Delta Lloyd Bank België”) aan de Chinese verzekeringsmaatschappij Anbang Insurance Group Co. Ltd (“Anbang”) met succes is voltooid. De distributieovereenkomst tussen Delta Lloyd Life NV/SA (“Delta Lloyd Life België”) en Delta Lloyd Bank België is als onderdeel van de transactie overdragen aan Anbang. De verkoop van de bankactiviteiten van de Groep in België is in lijn met de strategie van de Groep, die is gericht op het vergroten van haar focus op verzekeringen en geselecteerde bancaire producten. Op 16 maart 2015 heeft de Vennootschap bekendgemaakt dat zij met succes een aandelenuitgifte van 19,9 miljoen nieuwe Gewone Aandelen via een versnelde orderboekplaatsing heeft voltooid. Een groot deel van de uitgegeven aandelen is toegewezen aan één nieuwe belegger (Fubon). De Vennootschap heeft gebruik gemaakt van de op de jaarlijkse algemene vergadering van aandeelhouders van mei 2014 verkregen goedkeuring, die werd verleend met betrekking tot de uitgifte van nieuwe Gewone Aandelen die 10% van het geplaatste aandelenkapitaal vertegenwoordigen.

		Op 24 februari 2015 heeft de Raad van Commissarissen bekendgemaakt dat zij voornemens is om Annemarie Mijer-Nienhuis te benoemen tot Chief Risk Officer en lid van de Raad van Bestuur van de Groep met ingang van 21 mei 2015. De Raad van Commissarissen heeft de aandeelhouders van de voorgenomen benoeming in kennis gesteld op de jaarlijkse vergadering van aandeelhouders van 21 mei 2015, waarna Annemarie Mijer-Nienhuis officieel is benoemd. In 2010 stopte de Duitse tak van het segment Leven van de Groep, Delta Lloyd Deutschland A.G. ("Delta Lloyd Deutschland"), met de verkoop van nieuwe producten en werd in run-off geplaatst. Op 1 oktober 2015 heeft de Groep bekendgemaakt dat 100% van de aandelen in Delta Lloyd Deutschland aan Athene Holding Ltd. zijn verkocht. Deze verkoop is in lijn met de strategische focus van de Groep op haar kernmarkten Nederland en België. ***Sterke punten*** De Groep is van mening dat zij beschikt over de volgende belangrijke sterke punten: • Een uitgebreid distributienetwerk en klantenbestand, een gevarieerde productmix, een hoge mate van tevredenheid onder intermediairs en een grote naamsbekendheid; • Toonaangevende marktposities op geselecteerde doelmarkten; en • Track record op het gebied van het doorvoeren van kostenbesparende initiatieven. ***Herziene strategie*** De strategische doelstelling van de Groep is het creëren van waarde voor haar stakeholders door erkenning te verwerven als betrouwbare en hoogwaardige financiële dienstverlener met een focus op verzekeringen in Nederland en België. De Groep is van mening dat zij in hoofdzaak waarde voor haar stakeholders kan creëren door verbetering van haar inzicht in klantbehoeften en het aanbieden van een uitstekende klantervaring. Om deze strategische doelstelling te realiseren, heeft de Groep in 2015 haar strategie geëvalueerd aan de hand van de ontwikkeling van langetermijntrends in het verzekeringswezen en het veranderende regelgevende kader waarin zij actief is, en is de Groep overgestapt op een nieuwe strategie: "Dichter bij de klant". Bij deze strategie ligt de nadruk op dichter bij de klant komen met gebruikmaking van het uitgebreide distributienetwerk, de grote naamsbekendheid en de gevarieerde productmix van de Groep, en de inzet van technologie voor het op de juiste manier en op het juiste moment aanbieden van relevante producten en diensten aan de klant. Om dit mogelijk te maken, wil de Groep haar digitale en data-capaciteiten verder uitbreiden. Verder is de Groep van plan om zich op basis van haar inzicht in klantbehoeften en haar ervaring als verzekeraar te concentreren op de ontwikkeling van duurzame toekomstgerichte producten en geïntegreerde klantoplossingen die gericht zijn op de nieuwe soorten risico's waarmee de klant kan worden geconfronteerd. De Groep is voornemens om haar strategische doelstelling te realiseren en voortdurend de kostenefficiëntie, het kapitaalrendement en de winstgevendheid te verbeteren. Volgens de Groep zal haar focus op dichter bij de klant komen de klanttevredenheid en

		klantloyaliteit vergroten, een platform voor de Groep creëren voor de crossselling van extra producten en diensten aan de klant, toekomstige groei op haar kernmarkten stimuleren, de kosten verlagen en het niveau van de ontvangen klantenpremies verhogen, en daarmee bijdragen aan de realisatie van duurzame en stabiele waardecreatie voor al haar stakeholders: klanten, aandeelhouders, distributiepartners, werknemers, leveranciers en de samenleving in het algemeen. De Groep is voornemens om haar commerciële slagkracht en markpositie in haar segmenten aan te wenden voor de levering van de juiste producten en diensten in het licht van het veranderende regelgevende kader. “Waarde boven volume” is een van de belangrijkste uitgangspunten voor iedere productlijn van de Groep. Dit betekent dat de Groep zich over de hele linie richt op stabiele en gezonde marges en dat zij volumes uitsluitend zal vergroten wanneer de verwachting bestaat dat dit mettertijd waarde zal creëren. Een voorbeeld van deze strategie is het feit dat de Groep zich heeft teruggetrokken uit de “uitkoopmarkt” voor pensioenfondsen, waar commerciële verzekeringsmaatschappijen de activa en passiva van pensioenfondsen overnemen. Dit is een markt met betrekkelijk lage marges en de Groep werkt sinds 2014 proactief aan de verkleining van haar marktaandeel op deze markt. De bedrijfsstrategie van de Groep berust op haar kapitaaldoelstellingen zoals hieronder beschreven. De Groep streeft ernaar (bijvoorbeeld door over te gaan op een meer op vergoedingen gebaseerd bedrijfsmodel) een kapitaalextensievere en -efficiëntere onderneming te worden. Zo heeft zij plannen om een strategische samenwerking te sluiten met Delta Lloyd APF die financiering, vergunningen, administratieve diensten en allerlei andere bedrijfsdiensten omvat om een langdurige werkrelatie te bevorderen tussen de Groep en Delta Lloyd Algemeen Pensioenfonds (“APF”), een nieuw type algemeen pensioenfonds dat van strategisch belang is voor de Groep. De Groep focust op het terugdringen van de complexiteit van haar manier van werken en wil zich ontwikkelen tot een flexibele en innovatieve organisatie. Om de bedrijfsvoering efficiënter te maken en om sneller te kunnen inspelen op de wensen van de klant, heeft de Groep haar bedrijfsmodel aangepast door integratie van haar commerciële activiteiten in haar segmenten Leven, Schade en Bank. De Groep is overgestapt op de herziene strategie om in staat te zijn om haar kapitaalpositie en rendement in het nieuwe Solvency II tijdperk, dat van start ging op 1 januari 2016, te optimaliseren. Naast de herziene strategie heeft de Groep ook een aantal managementacties en kapitaalmaatregelen genomen en is zij voornemens om in 2016 en op de langere termijn verdere maatregelen te nemen, zoals hieronder beschreven. ***Kapitaalplan en Solvency II*** Ondanks het feit dat de prestaties van de Groep in commercieel en operationeel opzicht sterk te noemen zijn, is het bedrijfsmodel van de Groep niet in voldoende mate geoptimaliseerd voor Solvency II. De ontwikkeling van het nieuwe regelgevende kader van Solvency II is een lang en ingewikkeld proces geweest. Om de balans te optimaliseren ter voorbereiding op Solvency II, heeft de Groep enkele jaren geleden veranderingen in haar activiteitenpakket

doorgevoerd, bijvoorbeeld door de focus van het segment levensverzekering in de nieuwe vorm te verleggen van toegezegdpensioenregelingen naar minder kapitaal vereisende toegezegdebijdragenregelingen. In 2015 heeft de Raad van Bestuur besloten de om de transitie naar verhoudingsgewijs minder risicovolle en minder volatiele producten te versnellen en de beleggingsportefeuille te richten op relatief hogere voor risico gecorrigeerde rendementen onder Solvency II. Maar de bestaande toegezegdpensioenregelingen van de Groep zijn nog steeds van invloed op haar kapitaalpositie en de voorwaarden van de bestaande toegezegdpensioenregelingen zullen pas op de lange termijn hun invloed verliezen.

Op 30 november 2015 heeft de Groep een nieuw kapitaalplan, inclusief de Aanbieding, bekendgemaakt. Dit kapitaalplan bestaat uit managementacties en kapitaalmaatregelen om te verzekeren dat de Groep sterk is gepositioneerd in het nieuwe Solvency II tijdperk (het “Kapitaalplan”). Volgens de Groep is zij na uitvoering van haar kapitaalplan voldoende gekapitaliseerd om haar strategie ten uitvoer te brengen en te opereren in de nieuwe Solvency II omgeving.

In het Kapitaalplan ligt de focus op het afstemmen van de strategie van de Groep op haar kapitaalvereisten om in staat te zijn succesvol te opereren in de Solvency II omgeving. Het kapitaalplan is bedoeld om op basis van de sterke franchisepositie van de Groep en haar trackrecord op het gebied van commerciële en operationele slagkracht de Solvency II positie van de Groep te versterken door middel van implementatie van managementacties en kapitaalmaatregelen, zodat zij in staat is te focussen op kapitaalgroei en contante dividenduitkering. Naar aanleiding van de schommelingen in de resultaten van haar interne model heeft de Groep in 2015 besloten om de standaardformule (SF) van Solvency II te hanteren voor het bepalen van haar kapitaalvereisten. De Groep heeft een Solvency II streefpercentage (SF) van 140 tot 180% vastgesteld, rekening houdend met onder meer de impact van marktstressfactoren, ratingoverwegingen, onzekerheden aangaande Solvency II en vergelijking met sectorgenoten.

Op basis van haar voltooide managementacties (zie Voltooide acties hieronder) en uitgaande van voltooiing van de Aanbieding, verwacht de Groep een solvabiliteitspositie te bereiken die haar in staat zal stellen schommelingen op de markt, redelijk zware stressscenario’s en de resterende wezenlijke onzekerheden in de wet- en regelgeving aangaande Solvency II (in hoofdzaak iedere wijziging van de ultimate forward rate (“UFR”)) op te vangen, en die de Groep een sterke basis zal verschaffen voor het uitvoeren van haar strategie en het ontplooien van klantgerichte, winstgevende en kapitaalgenererende nieuwe activiteiten.

De Groep heeft in het kader van het Kapitaalplan een aantal managementacties voltooid, onder meer in het vierde kwartaal van 2015, en zij is van plan in de toekomst, onder meer in 2016, verdere activiteiten te ontplooien om de groei en het rendement van het kapitaal, alsmede haar vermogen om contant dividend uit te keren, verder te stimuleren. De Groep heeft recentelijk antwoord gekregen van DNB op een aantal belangrijke vragen inzake de interpretatie van Solvency II met betrekking tot de berekening van haar solvabiliteitsratio onder Solvency II (SF), onder meer over de mate waarin zij het verliescompensatievermogen van uitgestelde

		belastingen ("LAC DT") en de langlevenderivatencontracten die de Groep in augustus 2014 en juni 2014 met Reinsurance Group of America ("RGA") heeft afgesloten om haar blootstelling aan het langlevenrisico in haar levensverzekeringsportefeuilles (de "Langlevenderivaten") deels af te dekken, mag laten meewegen bij de berekening van haar solvabiliteitsratio onder Solvency II (SF), en zo ja, onder welke voorwaarden dat is toegestaan. Desalniettemin blijven er nog een aantal wezenlijke onduidelijkheden bestaan met betrekking tot wet- en regelgeving (met name de vraag welke veranderingen er zijn in de UFR-systematiek). De mogelijkheid voor de Groep om LAC DT te verantwoorden is afhankelijk van het voltooien van de Aanbieding and de constante beschikbaarheid van bepaalde kredietfaciliteiten. Het behouden van de solvabiliteitsvoordelen die de Langlevenderivaten met zich brengen vereist het voldoen aan verschillende voorwaarden, inclusief de herstructurering van de Langlevenderivaten om zeker te stellen dat deze zullen worden aangemerkt als herverzekeringscontracten. Het achterwege blijven van deze herstructurering zal een verdere impact van 7 procentpunt op de Groep's Solvency II ratio (SF) hebben. *Voltooide acties:* • Twee hedgetransacties op de langlevenmarkt in respectievelijk 2014 en 2015; • De uitgifte van 19,9 miljoen nieuwe Gewone Aandelen via een versnelde orderboekplaatsing, die in maart 2015 EUR 337 miljoen heeft opgebracht; • De afstoting van bepaalde activiteiten die niet tot de kernactiviteiten behoren, inclusief Delta Lloyd Bank België en Delta Lloyd Life Deutschland; • De herstructurering van de achtergestelde lening van EUR 404 miljoen[7] van Fonds NutsOhra teneinde toepassing van de zogenaamde 'grootvadersclausule' onder Solvency II voor een periode van drie jaar te faciliteren; • De herstructureringsovereenkomsten tussen de dochterondernemingen van de Groep die zich bezighouden met verzekeringen en het segment Asset Management (het "Herziene Mandaat"); • De afwikkeling van een securitisatievehikel; • De overheveling van hypotheekportefeuilles aan het Belgische Leven-segment van de Groep; • De verkoop van de kantoorvastgoedportefeuille aan First Sponsor Group voor EUR 226 miljoen op 13 november 2015; en • De verkoop van de hele retailportefeuille aan EPISO 4 voor EUR 273 miljoen, welke eind december 2015 is gesloten. De managementacties die sinds de aankondiging van het Kapitaalplan op 30 november 2015 zijn voltooid (bestaande uit het Herziene Mandaat, de afwikkeling van een securitisatievehikel en de verkoop van de portefeuille met commercieel vastgoed) hebben geresulteerd in een toename van de solvabiliteitsratio van de Groep onder Solvency II (SF) van 7 procentpunt op 31 december 2015.

[7] Nominaal bedrag van de achtergestelde lening per 31 december 2015.

		Voor 2016 geplande acties: • De Vennootschap is voornemens om haar belang van 30% in Van Lanschot N.V. ("Van Lanschot") te verkopen via een aandelenuitgifte, afhankelijk van marktomstandigheden.[8] Van Lanschot heeft toegezegd haar medewerking te verlenen aan de voorbereidingen van de verkoop. Uitgaande van een verkoop tegen de koers van de aandelen Van Lanschot op Euronext Amsterdam per 31 december 2015, zal de verkoop van het belang in Van Lanschot naar verwachting een stijging van circa 8 procentpunt van de solvabiliteitsratio van de Groep onder Solvency II (SF) opleveren; en • De Groep is voornemens om eind 2016 nadere acties met betrekking tot het beheer van haar activa en passiva en andere acties te implementeren, waarvan het resultaat momenteel wordt geschat op een stijging van circa 10 tot 15 procentpunt van de solvabiliteitsratio van de Groep onder Solvency II (SF), met inbegrip van: • Vermindering van de blootstelling aan valutarisico, aandelenrisico en kredietrisico ter vergroting van de veerkracht en vermindering van de Solvabiliteitskapitaalvereiste (Solvency Capital Requirement of "SCR"); • Modelverbetering van het Belgische segment Leven van de Groep en haar financiële beheersfunctie op het niveau van de Vennootschap; • Verlenging van de looptijd van de Langlevenderivaten en beoordeling van de herstructurering daarvan tot herverzekeringscontracten teneinde de verplichtingen die zijn aangegaan tijdens de besprekingen van de Groep met DNB na te komen; en • De Groep heeft toegezegd een groepsliquiditeitsplan te zullen implementeren om Delta Lloyd Levensverzekering N.V. en Delta Lloyd Schadeverzekering N.V. te ondersteunen in geval van ernstige stressomstandigheden die resulteren in solvabiliteitsratio's lager dan de minimale kapitaalvereisten ("MCR"). In een dergelijk geval moet het voor de Groep mogelijk zijn Delta Lloyd Levensverzekering N.V. en Delta Lloyd Schadeverzekering N.V. van kapitaalinjecties te voorzien die ertoe leiden dat het vereiste MCR-niveau op peil blijft. De Aanbieding maakt deel uit van deze herstelplannen voor het LAC DT. *Reeds in gang gezette acties:* • De Groep heeft DNB toegezegd om het gedeeltelijk interne model te verbeteren en het vóór 1 januari 2018 te implementeren. In een gedeeltelijk intern model moeten ten minste de volgende modules zijn gespecificeerd: langlevenrisico, creditspreadrisico, insolventierisico, renterisico en aandelenrisico.

[8] Het 30% belang van de Groep in Van Lanschot (ongewijzigd sinds 31 december 2014) is gewaardeerd op EUR 263 miljoen op basis van een aandelenprijs van EUR 21,23 per aandeel op 31 december 2015. Gedurende de periode van 1 januari 2015 tot 21 maart 2016 bereikte de koers van de aandelen Van Lanschot op Euronext Amsterdam een hoogtepunt van EUR 25,70 per aandeel en een dieptepunt van EUR 16,66 per aandeel.

		• Versnelling van de accentverschuiving naar producten die minder kapitaal vereisen, bijvoorbeeld: • Bij het segment Leven van de Groep ligt het accent op pensioenproducten met toegezegde bijdrage en PPI; • De Groep houdt zich in België minder bezig met gegarandeerde producten en heeft het accent verlegd naar unit-linked producten en beschermingsproducten; • De Groep is sterk gefocust op de winstgevendheid van nieuwe producten, met name door middel van een optimale prijsstelling; • De Groep streeft naar uitbreiding en diversificatie van haar activiteiten op het gebied van schadeverzekeringen en vermogensbeheer; • De Groep is gefocust op kostenbeheersing en beperking van de operationele kosten en richt zich op een verlaging van de operationele uitgaven tot minder dan EUR 610 miljoen in 2016 teneinde een evenwicht te bewerkstelligen tussen kostenbesparingen en belangrijke herinvesteringen (bijvoorbeeld in digitalisering), en op verdere verlaging van de operationele uitgaven tot minder dan EUR 560 miljoen in 2018. Naar verwachting zullen deze targets mede kunnen worden gerealiseerd door reductie van verouderde IT en door ketenintegratie, digitalisering en online diensten. Ook een zo efficiënt mogelijk beheer van het back-book van de Groep maakt deel uit van deze focus op kostenbeheersing. De Groep streeft ernaar de kosten van haar back-book in 2016 met 10% terug te dringen (in het kader van het bovengenoemde algemene streefdoel); • De Groep blijft actief zoeken naar mogelijkheden voor verdere managementacties ter versterking van de kapitaalpositie in de toekomst. De solvabiliteitsratio van de Groep (SF) was 131% per 31 december 2015, een duidelijk bewijs van het effect van de voltooide managementacties.[9] Per 30 september 2015 was de solvabiliteitsratio van de Groep onder Solvency II (SF) 136%[10]. De netto daling van 5 procentpunt is een weerslag van het positieve effect van de voltooide

9 Het LAC DT vermogen zoals per 31 december 2015 tot uitdrukking wordt gebracht in de solvabiliteitsratio van de Groep onder Solvency II (SF) is gebaseerd op bepaalde uitgangspunten, met inbegrip van de voltooiing van de Aanbieding en de blijvende beschikbaarheid van bepaalde kredietfaciliteiten met betrekking tot het vermogen van de Vennootschap om zo nodig andere onderdelen van de Groep te herkapitaliseren. De solvabiliteitsratio van de Groep onder Solvency II (SF) per 31 december 2015 is geen indicatie van de kapitaalvereisten van, of het aangehouden kapitaal door, Delta Lloyd Bank Netherlands of Van Lanschot, aangezien zij zijn uitgesloten van de berekening van de solvabiliteitsratio onder Solvency II (SF) op basis van het regelgevingsrichtsnoer van DNB dat luidt dat andere financiële sectoren (other financial sectors—“OFS”) aan de hand van de aftrekmethode moeten worden geconsolideerd. Kredietinstellingen kunnen daarom niet onder OFS worden gerangschikt. In de solvabiliteitsratio onder Solvency II (SF) is tevens een impact van 7 procentpunt te zien dankzij de afwikkeling van het aandelenrisico van de Groep in het kader van de overgangsregelingen onder Solvency II. Hiervan zal naar verwachting 2 procentpunt teniet worden gedaan in het eerste kwartaal van 2016. Op basis van de huidige aanpak zal de resterende 5 procentpunt gedurende zeven jaar teniet worden gedaan. Onder de overgangsmaatregelen voor eigen vermogen mag de Groep een lager stressniveau van 22% toepassen voor aandelen die voor 1 januari 2016 zijn verworven. Dit tijdelijke stressniveau van 22% zal geleidelijk, over een periode van zeven jaar, naar het reguliere stressniveau worden opgetrokken.

10 In de solvabiliteitsratio van de Groep onder Solvency II (SF) per 30 september 2015 is een aantal acties verwerkt die in het vierde kwartaal van 2015 zijn afgerond, zoals de verkoop van Delta Lloyd Deutschland en bepaalde private-equity belangen, de samenvoeging van de vastgoedentiteiten binnen Delta Lloyd Levensverzekering N.V., de herstructurering van de achtergestelde schulden van Fonds NutsOhra en de impact van de door de Europese Autoriteit voor verzekeringen en bedrijfspensioenen (“EIOPA”) in oktober 2015 voorgeschreven curve per september 2015. Verder zijn de LAC DT en Langlevenderivaten weergegeven op basis van de interpretatie van de Solvency II regelgeving van dat moment; inmiddels wordt, zoals elders beschreven, naar aanleiding van gesprekken met DNB een andere benadering gevolgd. Tot slot zijn in de solvabiliteitsratio onder Solvency II (SF) per 30 september 2015 de kapitaalvereisten van, en het kapitaal gehouden door, het banksegment van de Groep en Van Lanschot als OFS weergegeven. Die aanpak volgt de Groep inmiddels niet meer.

		managementacties in het vierde kwartaal (+7 procentpunt, voornamelijk als gevolg van de Herziene Mandaten), de uitsluiting van Delta Lloyd Bank Nederland en Van Lanschot bij de berekeningen van de solvabiliteitsratio onder Solvency II zoals vereist door DNB (+2 procentpunt) en andere wijzigingen (+2 procentpunt), maar dit werd ruimschoots tenietgedaan door de afwikkeling van de Langlevenderivaten uit hoofde van Solvency II zoals toegezegd aan DNB (-14 procentpunt) en het besluit inzake de mate waarin LAC DT tot uiting kan komen in de solvabiliteitsratio van de Groep onder Solvency II (-2 procentpunt). In de solvabiliteitsratio onder Solvency II (SF) per 31 december 2015 is een impact van 7 procentpunt te zien dankzij de afwikkeling van het aandelenrisico van de Groep in het kader van de overgangsregelingen onder Solvency II. Hiervan zal naar verwachting 2 procentpunt teniet worden gedaan in het eerste kwartaal van 2016. Op basis van de huidige aanpak zal de resterende 5 procentpunt gedurende zeven jaar teniet worden gedaan. Onder de overgangsmaatregelen voor eigen vermogen mag de Groep een lager stressniveau van 22% toepassen voor aandelen die voor 1 januari 2016 zijn verworven. Dit tijdelijke stressniveau van 22% zal geleidelijk, over een periode van zeven jaar, naar het reguliere stressniveau worden opgetrokken. Wanneer de Vennootschap pro forma zou uitgaan van ontvangst van de bruto-opbrengst van de Aanbieding, zou de solvabiliteitsratio onder Solvency II (SF) per 31 december 2015 naar schatting 156% zijn geweest. Als onderdeel van het Kapitaalplan heeft de Groep een beoogde run rate voor de Netto Kapitaalaanwas onder Solvency II vastgesteld van EUR 200 à 250 miljoen per jaar en streeft zij ernaar om jaarlijks een stabiel dividend uit te keren aan de aandeelhouders.[11] De Groep gebruikt momenteel weliswaar de meer normatieve SF voor het vaststellen van haar kapitaalvereisten onder Solvency II, maar gaat door met het bijwerken en testen van haar gedeeltelijk intern model, en is voornemens om het gedeeltelijk intern model per 1 januari 2018 te implementeren zoals zij aan DNB heeft toegezegd.
B.4a	Belangrijkste tendensen die zich voordoen voor de Groep en de sectoren waarin de Groep werkzaam is	**Trends en ontwikkelingen in de levensverzekeringensector** • Toegezegdebijdragenregelingen nemen de plaats in van toegezegdpensioenregelingen; • Er vinden pensioenhervormingen plaats in Nederland, en de verwachting is dat er in de toekomst nog meer hervormingen zullen plaatsvinden; • Pensioenfondsen worden geliquideerd en het accent verschuift naar verzekerde oplossingen; • Bankspaarproducten nemen in toenemende mate de plaats in van individuele levensverzekeringsproducten; en

[11] De Netto Kapitaalaanwas is indicatief voor de wijziging van het kapitaal van de Groep bij vergelijking van twee periodes, zoals berekend onder Solvency II met gebruikmaking van de SF, op basis van een aantal uitgangspunten. De beoogde run rate voor de Netto Kapitaalaanwas wordt berekend vóór de kosten en baten van activa/passivabeheersacties, het voordeel van het gebruik van opbrengsten uit de Aanbieding, volatiliteit van de markt en niet-operationele verschillen. De beoogde rate is bovendien exclusief belastingen en belang derden. De voornaamste drijvende factoren achter de Netto Kapitaalaanwas zijn naar verwachting de waarde van het nieuwe segment levensverzekeringen van de Groep, haar technisch resultaat (exclusief levensverzekeringen), haar verwachte opbrengsten boven de Solvency II curve en mutaties in vereist kapitaal en risicomarge. Netto Kapitaalaanwas is een niet-IFRS-gerelateerde maatregel.

		• Introductie van APF's voor toegezegdpensioenregelingen. **Trends en ontwikkelingen in de schadesector** • Lagere winstgevendheid van bepaalde producten; • Dalende premievolumes in het algemeen; en • Meer directe distributie (inclusief distributie via internet- en mobiele platforms). **Trends en ontwikkelingen in de banksector** • Invoering van wetgeving die is bedoeld om het aantal aflossingsvrije hypotheken en hoge loan-to-value ("LTV") hypotheken te verminderen; • Langzamere groei in de verkoop van bankspaarproducten; • Stijging van de schuldaflossingen; • Verlaging van het maximum bedrag van hypothecaire leningen toegestaan in het kader van de Nationale Hypotheek Garantie; en • Politieke druk ten aanzien van productaanpassing en productontwikkeling **Trends en ontwikkelingen op het gebied van vermogensbeheer** • Toename van beleggingen door institutionele klanten via vermogensbeheerders; • Aanpassingen van de voorschriften voor instellingen voor collectieve beleggingen in effecten ("UCITS") faciliteren grensoverschrijdende investeringen; • Groter marktaandeel van grensoverschrijdende fondsen; • Nieuwe regelgeving biedt nieuwe zakelijke kansen; en • Passief vermogensbeheer via indexfondsen en exchange-traded fondsen is populair geworden en als gevolg daarvan is het aandeel van passief vermogensbeheer op de Europese fondsenmark groter geworden.

B.5 — **Beschrijving van de Groep en de plaats die de Vennootschap daarin inneemt**

De Vennootschap is de houdstermaatschappij van een groep die bestaat uit de volgende belangrijke dochterondernemingen en significante beleggingen (die direct of indirect in handen zijn van de Vennootschap) op de datum van dit Prospectus, die zich allen bezighouden met dezelfde activiteiten als de Vennootschap of gerelateerde activiteiten, inclusief de eigendom van handelsmerken en licenties die verband houden met de bedrijfsactiviteiten van de Groep:

Belangrijke dochterondernemingen	Land van vestiging	Activiteiten	Deelneming en stemrechtpercentage dat (direct of indirect) in handen is van de Vennootschap
Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	Nederland	Verzekeringen	100%
Delta Lloyd Levensverzekering N.V.	Nederland	Levensverzekeringen	100%
Delta Lloyd Schadeverzekering N.V.	Nederland	Schadeverzekeringen	100%
Delta Lloyd ABN AMRO Verzekeringen Holding	Nederland	Verzekeringen	51%
ABN AMRO Levensverzekering N.V.	Nederland	Levensverzekeringen	51%
ABN AMRO Schadeverzekering N.V.	Nederland	Schadeverzekeringen	51%
Delta Lloyd Houdstermaatschappij België B.V	Nederland	Verzekeringen	100%
Delta Lloyd Life NV/SA.	België	Levensverzekeringen	100%
Delta Lloyd Bank N.V.	Nederland	Bankgerelateerde activiteiten	100%
DLAM Holding B.V.	Nederland	Vermogensbeheer	100%
Amstelhuys B.V.	Nederland	Bankgerelateerde activiteiten	100%

B.6 — **Personen die direct of indirect een belang hebben in het kapitaal van de Vennootschat of stemrecht hebben**

Het aandelenkapitaal van de Vennootschap is op de datum van dit Prospectus verdeeld in Gewone Aandelen, Preferente Aandelen A ("Preferente Aandelen A") en Beschermingspreferente Aandelen B ("Beschermingspreferente Aandelen B") (tezamen te noemen de "Aandelen"). Fonds NutsOhra is eigenaar van alle 10.021.495 uitstaande Preferente Aandelen A. De Preferente Aandelen A zijn converteerbaar in Gewone Aandelen. De Stichting Continuïteit Delta Lloyd ("Stichting Continuïteit Delta Lloyd") heeft een call-optie op alle Beschermingspreferente Aandelen B. De call-optie geeft de Stichting Continuïteit Delta Lloyd het recht om Beschermingspreferente Aandelen B te kopen tot een maximum dat gelijk is aan 100% van Delta Lloyd's totale geplaatste en uitstaande aandelenkapitaal, minus één aandeel, en dit geeft de Stichting Continuïteit Delta Lloyd recht op 49,9% van de stemrechten na uitgifte.

	Kapitaal en stemrechten per 15 maart 2016					
	Gewone Aandelen	%	Preferente Aandelen A	%	Stem-rechten	%
Fonds NutsOhra	—	—	10.021.495	100%	10.021.495	4,22%
Vrij verhandelbaar	227.567.943	99,54%	—	—	227.567.943	95,78%
Eigen aandelen	1.046.669	0,46%	—	—	—	—
Totaal	228.614.612	100%	10.021.495	100%	237.588.735	100%

Volgens het register substantiële deelnemingen van de AFM had Norges Bank per 1 maart 2016 een directe substantiële deelneming

		van 6,92% in het aandelenkapitaal en 6,92% van de stemrechten van de Vennootschap en had J.H.H. de Mol per 24 februari 2016 een directe substantiële deelneming van 5,02% in het aandelenkapitaal en 5,02% van de stemrechten van de Vennootschap. Per 21 december 2015 had Highfields een indirecte substantiële deelneming van 5,35% in het aandelenkapitaal en 5,35% van de stemrechten van de Vennootschap. Per 13 oktober 2015 had Old Mutual plc een indirecte substantiële deelneming van 3,04% in het aandelenkapitaal en 3,04% van de stemrechten van de Vennootschap. Per 17 maart 2015 had Fubon een indirecte substantiële deelneming van 5,23% in het aandelenkapitaal en 5,23% van de stemrechten van de Vennootschap. Naar beste weten van de Vennootschap, op 9 maart 2016, de registratiedatum voor de bijzondere algemene vergadering waarin de Aandeelhouders hebben besloten tot, onder andere, goedkeuring van de Aanbieding, had Highfields een indirecte substantiële deelneming van 9,52% in het aandelenkapitaal en 9,52% van de stemrechten van de Vennootschap, en had Fubon een indirecte substantiële deelneming van 6,86% in het aandelenkapitaal en 6,86% van de stemrechten van de Vennootschap. De werkelijke deelneming kan afwijken, aangezien de houder van een substantiële deelneming veranderingen in het percentage van het aandelenkapitaal en/of de stemrechten alleen verplicht bij de AFM dient te melden als hij, rechtstreeks of indirect, een van de volgende drempels bereikt, overschrijdt of onderschrijdt: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% en 95%. De bovengenoemde substantiële deelnemingen maken deel uit van de vrij verhandelbare aandelen. De bovengenoemde Aandeelhouders of Fonds NutsOhra hebben geen speciale stemrechten.

Recente resultaten

Niet-gecontroleerde IFRS resultaten

Tot nu toe zijn de resultaten voor de twee maanden eindigend op 29 februari 2016 redelijk in lijn met de onderliggende niveaus die werden gemeten in de twee maanden eindigend op 28 februari 2015. Doorgaans worden er in het segment levensverzekeringen in het eerste kwartaal van ieder jaar meer zaken gedaan dan in de andere kwartalen (als gevolg van pensioenvernieuwingen).

Het totale bruto premie-inkomen van de Groep bedroeg EUR 1.094 miljoen voor de twee maanden eindigend op 29 februari 2016, ofwel EUR 27 miljoen minder dan de EUR 1.121 miljoen voor de twee maanden eindigend op 28 februari 2015. Het bruto premie-inkomen uit de levensverzekeringsactiviteiten van de Groep bedroeg EUR 743 miljoen (tegen EUR 793 miljoen voor de twee maanden eindigend op 28 februari 2015). Met haar schadeverzekeringsactiviteiten realiseerde de Groep een bruto premie-inkomen van EUR 351 miljoen (tegen EUR 329 miljoen voor de twee maanden eindigend op 28 februari 2015).

Groepsbreed is de ontwikkeling van de operationele kosten voor de twee maanden eindigend op 29 februari 2016 iets minder sterk geweest dan in de twee maanden eindigend op 28 februari 2015. De Groep heeft haar initiatieven voor uitbreiding van haar digitale en gegevenscapaciteit met behulp van technologie voortgezet en zal zich blijven concentreren op het terugdringen van de algehele complexiteit van haar organisatie.

IFRS-gerelateerd eigen vermogen op geconsolideerde basis bleef relatief stabiel op EUR 2,5 miljard vanaf 29 februari 2016, tegen EUR 2,6 miljard vanaf 31 december 2015, ondanks de sterke rentedaling in die periode.

Solvency II

De Vennootschap blijft voortgang boeken met de implementatie van haar managementacties. De solvabiliteitsratio onder Solvency II (SF) zal, uitgaande van ramingen van het effect van marktbewegingen, voor de twee maanden eindigend op 29 februari 2016 in het slechtste geval naar verwachting iets onder de SF ratio per einde jaar 2015 liggen.

B.7	Geselecteerde belangrijke historische financiële informatie	De samenvattende financiële informatie van de Groep die is vermeld in de volgende tabellen bestaat onder meer uit: • informatie die zonder wezenlijke aanpassing is overgenomen uit de gecontroleerde geconsolideerde jaarrekeningen van de Groep van de jaren eindigend op 31 december 2015, 2014 en 2013, opgesteld in overeenstemming met de IFRS en gecontroleerd door Ernst & Young Accountants LLP ("EY") tenzij anders aangegeven; • informatie met betrekking tot het operationeel resultaat van de Groep voor belastingen en belang derden ("Operationeel Resultaat"), het operationeel resultaat van de Groep na belastingen en belang derden ("Netto Operationeel Resultaat") en het materieel eigen vermogen, welke niet IFRS-gerelateerd zijn, tezamen met de aansluiting van het Netto Operationeel Resultaat en het Operationeel Resultaat op het IFRS-resultaat van de Groep voor belastingen uit voortgezette activiteiten voor de jaren eindigend op 31 december 2015, 2014 en 2013; en • informatie met betrekking tot de nieuwe premie-inkomsten op jaarbasis (new annualised premium income—"NAPI") van de Groep voor het segment Leven, de gecombineerde ratio (combined ratio—"COR") voor het segment Schade voor de jaren eindigend 31 december 2015, 2014 en 2013 en de kaspositie van de Vennootschap voor de jaren eindigend op 31 december 2015 en 2014.

Kerncijfers

	Jaar eindigend op 31 December		
	2015	2014	2013(1)
	(in miljoenen euro's, tenzij anders aangegeven)		
GWP (IFRS)	4.038,3	3.963,3	4.757,5
NAPI(2)	431,7	418,1	431,1
Totale inkomsten (IFRS)	6.074,6	13.876,9	5.951,0
Totale uitgaven (IFRS)	5.924,2	13.408,7	5.706,2
Resultaat voor belastingen uit voortgezette activiteiten (IFRS)	150,4	468,2	244,8
COR(3)	96,2%	94,5%	97,7%

(1) De gepresenteerde cijfers weerspiegelen de aanpassingen die het gevolg zijn van veranderingen in verslagleggingsmethoden als gevolg van de toepassing van IFRS 10 en een wijziging in de verslaglegging ten aanzien van een deel van langetermijnverplichtingen en daaraan gerelateerde activa, die in 2014 zijn doorgevoerd.
(2) NAPI bestaat nieuwe jaarpremies en 10% van de nieuwe koopsompremies ontvangen gedurende de periode.
(3) COR is de som van de geleden verliezen en gemaakte kosten gedeeld door de netto premie-inkomsten. De gepresenteerde COR is niet-IFRS-gerelateerd en gebaseerd op de visie van het management en is exclusief de gevolgen van activiteiten die in run-off zijn geplaatst, beëindigde contracten en marktrentefluctuaties. Deze gevolgen zijn meegewogen bij de berekening van de COR onder IFRS.

Double Leverage

Double leverage is een niet-IFRS parameter voor de mate waarin het eigen vermogen van dochterondernemingen door de Vennootschap met vreemd vermogen wordt gefinancierd. Berekening ervan vindt plaats door de geconsolideerde vermogenswaarde van de Vennootschap (bestaande uit eigen vermogen en eeuwigdurende achtergestelde externe schulden van de Vennootschap) te delen door de vermogenswaarde van de dochterondernemingen (bestaande uit eigen vermogen en eeuwigdurende achtergestelde onderlinge vorderingen van de Vennootschap).

Een hoog double leverage-percentage geeft aan dat de Vennootschap een hoger niveau aan netto (niet-eeuwigdurende) schulden gebruikt voor het financieren van haar dochterondernemingen.

De volgende tabel bevat bepaalde niet-IFRS gerelateerde parameters, welke niet gecontroleerd zijn (namelijk, waardegenererende ondernemingen (eigen vermogen en achtergestelde schuld) en double leverage).

	Jaar eindigend op 31 december		
	2015	2014	2013
	(in miljoenen euro's, tenzij anders aangegeven)		
Groepskapitaal	**3.704,5**	**3.761,0**	**3.068,0**
Eigen vermogen(1)	2.822,6	2.880,2	2.930,0
Eeuwigdurende achtergestelde converteerbare lening (FNO)(2)	138,0	138,0	138,0
Eeuwigdurende achtergestelde lening	743,8	742,8	—
Waardegenererende ondernemingen(3)	**3.724,9**	**4.144,4**	**3.425,5**
Eigen vermogen	3.139,9	3.664,4	3.424,5
Achtergestelde schuld	585,0	480,0	—
Double leverage	**100,5%**	**110,2%**	**111,6%**

(1) Met inbegrip van belang derden en terugneming van voorzieningen voor de verkoop van Delta Lloyd Bank België en Delta Lloyd Deutschland.

(2) Met inbegrip van preferente aandelen A (EUR 2 miljoen).

(3) Inclusief niet-gecontroleerd belang.

Netto Kaspositie van de Vennootschap

In de volgende tabel is de kaspositie van de Vennootschap voor de aangegeven periodes vermeld. Deze tabel is niet gecontroleerd en bestaat uit niet-IFRS-gerelateerde maatregelen.

	Jaar eindigend op 31 december		
	2015	2014	2013/1
	(in miljoenen euro's)		
Netto kaspositie aanvang boekperiode(1)	**-558,2**	**-436,0**	**-424,9**
Overmakingen van ondernemingen	**155,4**	**234,2**	**604,1**
Kapitaalinjectie	**0,0**	**-387,1**	**-25,4**
Corporate en overige activiteiten	**564,5**	**742,9**	**63,0**
Verkochte ondernemingen	227,7	0,0	0,0
Leningen/Uitgifte van gewone aandelen	336,9	742,9	63,0
Uitgaven Vennootschap	**-480,3**	**-712,1**	**-652,8**
Financieringskosten Vennootschap	-69,7	-36,9	-38,2
Kosten Vennootschap(2)	-70,1	-91,3	-59,2
Onderlinge leningen (netto)	-45,1	-470,7	-531,8
Overig(3)	-182,5	-47,6	44,5
Uitkering van contant dividend	-113,0	-65,6	-68,1
Netto kaspositie afsluiting boekperiode	**-318,6**	**-558,2**	**-436,0**

(1) Positief of negatief kassaldo van de Vennootschap (d.w.z. inclusief kasmiddelen minus uitstaande schulden (schulden die binnen de volgende 12 maanden verschuldigd zijn)).

(2) Bruto bedrag inclusief niet-operationele posten.

(3) Werkkapitaal in evenwicht met business (netto), aandelenbeleggingen, belastingen en overige mutaties.

Geselecteerde gegevens uit de geconsolideerde balans

	IFRS		
	Per 31 december		
	2015	2014	2013(1)
	(in miljoenen euro's)		
Totaal vermogen	73.468,2	87.923,8	80.304,5
Verzekeringsverplichtingen	45.789,9	45.662,4	44.340,7
Verplichtingen uit beleggingscontracten	6.304,5	6.154,3	4.817,0
Leningen	4.316,2	5.322,9	5.328,4
Eigen vermogen(2)	2.568,9	2.468,4	2.620,6
Materieel eigen vermogen(3)	2.240,4	2.108,9	2.275,6

(1) De gepresenteerde cijfers weerspiegelen de aanpassingen die het gevolg zijn van veranderingen in verslagleggingsmethoden als gevolg van de toepassing van IFRS 10 en een wijziging in de verslaglegging ten aanzien van een deel van langetermijnverplichtingen en daaraan gerelateerde activa, die in 2014 zijn doorgevoerd.

(2) Eigen vermogen is het totale eigen vermogen, rekening houdende met het belang van 51% van de Groep in Delta Lloyd ABN AMRO Verzekeringen.

(3) Het materieel eigen vermogen is niet gecontroleerd en niet IFRS-gerelateerd. Het is berekend als het verschil tussen het eigen vermogen en immateriële activa (d.w.z. goodwill), rekening houdende met het belang van 51% van de Groep in Delta Lloyd ABN AMRO Verzekeringen.

Geselecteerde gegevens uit de winst-en-verliesrekening

	IFRS resultaat na belastingen en belang derden		
	Per 31 december		
	2015	2014	2013(1)
	(in miljoenen euro's)		
Leven	190,0	482,0	163,9
Schade	52,7	56,2	39,8
Asset Management(2)	34,6	22,7	40,0
Bank	48,7	43,2	-13,8
Corporate en overige activiteiten(3)	-197,9	-242,8	-46,5
Totaal	**128,1**	**361,1**	**183,3**

(1) De gepresenteerde cijfers weerspiegelen de aanpassingen die het gevolg zijn van veranderingen in verslagleggingsmethoden als gevolg van de toepassing van IFRS 10 en een wijziging in de verslaglegging ten aanzien van een deel van langetermijnverplichtingen en daaraan gerelateerde activa, die in 2014 zijn doorgevoerd.

(2) De cijfers voor de jaren eindigend op december 2015 en 2014 voor het bedrijfssegment Asset Management zijn aangepast na de overheveling van Delta Lloyd Treasury van het segment Asset Management naar het segment Corporate en overige activiteiten.

(3) Corporate en overige activiteiten zijn inclusief algemene kosten en supportdiensten van de Groep, alsook Amstelhuys (welke niet is inbegrepen in het bedrijfssegment Bank van de Groep), tezamen met consolidatie- en eliminatieposten. De voornaamste bepalende factoren in dit segment zijn bedrijfsactiviteiten (waarvan het resultaat een kostenpost van EUR 308 miljoen voor het jaar eindigend op 31 december 2015 was, vergeleken met een kostenpost van EUR 243 miljoen voor het jaar eindigend op 31 december 2014) en Amstelhuys (waarvan het resultaat een winst van EUR 56 miljoen voor het jaar eindigend op 31 december 2015 was, vergeleken met een verlies van EUR 61 miljoen voor het jaar eindigend op 31 december 2014).

Kapitaalpositie

	Per 31 december		
	2015	2014	2013
	(in miljoenen euro's, tenzij anders aangegeven)		
Eigen vermogen			
Eigen vermogen exclusief belang derden	2.569	2.468	2.621
-waarvan 'hard kapitaal' (materiële activa)	2.240	2.109	2.276
Solvabiliteit			
Solvabiliteitsratio onder Solvency II (SF)(2)	131%(1)	n.v.t.2	n.v.t.2

(1) Het LAC DT vermogen zoals per 31 december 2015 tot uitdrukking gebracht in de solvabiliteitsratio van de Groep onder Solvency II (SF) is gebaseerd op bepaalde uitgangspunten, met inbegrip van de voltooiing van de Aanbieding en de blijvende beschikbaarheid van bepaalde kredietfaciliteiten, met betrekking tot het vermogen van de Vennootschap om zo nodig andere onderdelen van de Groep te herkapitaliseren. De solvabiliteitsratio van de Groep onder Solvency II (SF) per 31 december 2015 is geen indicatie van de kapitaalvereisten van, of het aangehouden kapitaal door, Delta Lloyd Bank Netherlands of Van Lanschot, aangezien zij zijn uitgesloten van de berekening van de solvabiliteitsratio onder Solvency II (SF) op basis van het regelgevingsrichtsnoer van DNB dat luidt dat OFS aan de hand van de aftrekmethode moeten worden geconsolideerd. Kredietinstellingen kunnen daarom niet onder OFS worden gerangschikt. In de solvabiliteitsratio onder Solvency II (SF) is tevens een impact van 7 procentpunt te zien dankzij de afwikkeling van het aandelenrisico van de Groep in het kader van de overgangsregelingen onder Solvency II. Hiervan zal naar verwachting 2 procentpunt teniet worden gedaan in het eerste kwartaal van 2016. Op basis van de huidige aanpak zal de resterende 5 procentpunt gedurende zeven jaar teniet worden gedaan. Onder de overgangsmaatregelen voor eigen vermogen mag de Groep een lager stressniveau van 22% toepassen voor aandelen die voor 1 januari 2016 zijn verworven. Dit tijdelijke stressniveau van 22% zal geleidelijk, over een periode van zeven jaar, naar het reguliere stressniveau worden opgetrokken.

(2) Het regelgevend kader van Solvency II was nog niet van kracht in 2014 en 2013 en daarom heeft de Vennootschap geen cijfers gerapporteerd voor deze periodes. Per 30 september 2015 was de solvabiliteitsratio van de Groep onder Solvency II (SF) 136%. In de solvabiliteitsratio van de Groep onder Solvency II (SF) per 30 september 2015 is een aantal acties verwerkt die in het vierde kwartaal van 2015 zijn afgerond, zoals de verkoop van Delta Lloyd Deutschland en bepaalde private-equity belangen, de samenvoeging van de vastgoedentiteiten binnen Delta Lloyd Levensverzekering N.V., de herstructurering van de achtergestelde schulden van Fonds NutsOhra en de impact van de door EIOPA in oktober 2015 voorgeschreven curve per september 2015. Verder zijn de LAC DT en Langlevenderivaten weergegeven op basis van de interpretatie van de Solvency II regelgeving van dat moment; inmiddels wordt, zoals elders beschreven, naar aanleiding van gesprekken met DNB een andere benadering gevolgd. Tot slot zijn in de solvabiliteitsratio onder Solvency II (SF) per 30 september 2015 de kapitaalvereisten van, en het kapitaal gehouden door, het banksegment van de Groep en Van Lanschot als OFS weergegeven. Die aanpak volgt de Groep inmiddels niet meer.

De stapsgewijs ingevoerde CET1 ratio van Delta Lloyd Bank Nederland was 12,4% per 31 december 2015, vergeleken met 13,6% per 31 december 2014. De CET1 ratio wordt berekend en gepresenteerd in overeenstemming met het Basel-kader en is recentelijk vertaald naar een richtlijn (2013/36/EC, CRD IV) en regelgeving met betrekking tot kapitaalvereisten (EU No. 575/2013, "CRR"), hierna tezamen te noemen het "CRD IV kader". De CRD IV richtlijn is met ingang van augustus 2014 van kracht in de Nederlandse wetgeving en ingevolge dit kader is Delta Lloyd Bank Nederland verplicht te voldoen aan minimumratio's op het gebied van solvabiliteit en liquiditeit, met inbegrip van een minimum totale kapitaalratio. De CRR is per 1 januari 2014 direct van toepassing geworden, en heeft geresulteerd in strengere regels en, vergeleken met het eerdere Nederlandse kader, extra verslagleggingseisen met betrekking tot toezicht op solvabiliteit en liquiditeit. Een jaarlijks Supervisory Review and Evaluation Process ("SREP") door DNB is onderdeel van dit nieuwe kader. Kapitaalvereisten zijn, tezamen met andere vereisten, gebaseerd op SREP.

Op de datum van uitgifte van dit Prospectus is Delta Lloyd Bank Nederland nog steeds in afwachting van het definitieve SREP-besluit van DNB voor 2015 nadat er een voorlopig SREP-besluit is ontvangen op 14 januari 2016. Delta Lloyd Bank Nederland is hierover momenteel in gesprek met DNB. Vóór 1 januari 2014 waren de regels van Basel II van toepassing. De BIS ratio ("BIS ratio") van Delta Lloyd Bank Nederland was 19,6% per 31 december 2013.

Operationeel Resultaat en Netto Operationeel Resultaat

Het Operationeel Resultaat en Netto Operationeel Resultaat zijn afgeleid van de gecontroleerde geconsolideerde jaarrekening maar gelden niet als maatstaf van financiële prestaties onder IFRS en moeten worden bezien in samenhang met de IFRS-resultaten van de Groep. Het netto IFRS-resultaat van de Groep is volatiel, voornamelijk als gevolg van de toegepaste verantwoording op basis van waardering tegen marktwaarde (mark-to-market accounting) sinds 2006. Vanwege deze volatiliteit wordt het IFRS-resultaat door het management van de Groep niet gezien als een effectieve enige maatstaf voor het afmeten van de operationele prestaties van de Groep.

Het Operationeel Resultaat en Netto Operationeel Resultaat zijn bedoeld als instrumenten voor het meten van de 'onderliggende' winstgevendheid van de Groep. Tot 2014 bestonden het Operationeel Resultaat en Netto Operationeel Resultaat uit feitelijke en veronderstelde rendementen op lange termijn, in aanvulling op het operationeel technisch resultaat (de verzekeringsresultaten onder IFRS, exclusief niet-operationele posten, die een indicatie zijn van eenmalige omstandigheden of die anderszins, naar mening van het management, niet kunnen worden toegerekend aan de voortgezette bedrijfsactiviteiten van de Groep). Rendementen op lange termijn (long-term investment returns of "LTIR") werden voor de vaststelling van het Operationeel Resultaat en het Netto Operationeel Resultaat berekend door gebruikmaking van het laatst bekende rentetarief (gebaseerd op het 10-jaar punt op de Collateralised AAA curve). Het 'veronderstelde rentetarief' van het dit rendement op lange termijn is niet in lijn met de rendementen op korte termijn die zijn weergegeven in de winsten en verliezen conform IFRS van de Groep. De Groep heeft daarom in 2014 besloten tot een nieuwe definitie van Operationeel Resultaat en Netto Operationeel Resultaat. Na herziening van de Operationeel Resultaat formule (en met name het veronderstelde rendement op lange termijn) heeft de Groep het rendement op lange termijn vervangen door een investment spread ("investment spread" of "InvSp") (gedefinieerd als direct rendement minus kosten van passiva). Het rendement op lange termijn gaf een te lage waarde te zien van het feitelijke "locked-in" directe rendement van stabiele eigen risicovolle activa op lange termijn. Direct rendement is ontleend aan het IFRS-resultaat, en bestaat uit dividendinkomsten, vastgoedinkomsten en rente-inkomsten van vastrentende waarden en hypotheken. Bij de kosten van passiva zijn de vereiste rente op eigen-risico levensverzekerings- en schadeverzekeringsverplichtingen en financieringskosten inbegrepen. De vereiste rente op eigen-risico levensverzekeringsverplichtingen wordt per periode gemeten en kan worden berekend door vermenigvuldiging van het beginsaldo van de levensverzekeringsverplichtingen van iedere periode met het 12-jaar punt op de Collateralised AAA curve, die als maatstaf wordt gebruikt voor de gemiddelde duur van de levensverzekeringsverplichtingen.

In het Prospectus wordt het Operationeel Resultaat en Netto Operationeel Resultaat voor het jaar eindigend op 31 december 2015 gepresenteerd op basis van de investment spread methode en wordt het Operationeel Resultaat en Netto Operationeel Resultaat per 31 december 2014 gepresenteerd op basis van de investment spread methode, aangeduid als 2014 (InvSp) (welke vergelijkbaar is met het Operationeel Resultaat en Netto Operationeel Resultaat voor het jaar eindigend op 31 december 2015), en de LTIR methode, aangeduid als 2014 (LTIR) (welke vergelijkbaar is met het Operationeel Resultaat en Netto Operationeel Resultaat voor het jaar eindigend op 31 december 2013), en het Operationeel Resultaat en Netto Operationeel Resultaat voor het jaar eindigend op 31 December 2013 op basis van de LTIR methode. De LTIR methode werd vervangen door de investment spread om het rendement op lange termijn meer in overeenstemming te brengen met de winst- en verliesrekening onder IFRS. Zie voor meer informatie over de wijziging van LTIR in investment spread de nieuwe definitie van operationeel resultaat 2014 de tabel in voetnoot 4.1.7.3 '*Segmentinformatie*' die middels verwijzing is inbegrepen in de jaarrekening voor het jaar eindigend op 31 december 2015.

De huidige definities van Operationeel Resultaat en Netto Operationeel Resultaat bevatten een aantal elementen die vanuit het oogpunt van Solvency II geen kapitaal genereren. Daarom heeft de Groep besloten om later in 2016 een nieuwe definitie van Operationeel Resultaat te introduceren die meer in lijn is met Solvency II.

	Jaar eindigend op 31 december			
	2015	2014 (InvSp)(1)(6)	2014 (LTIR)(1)	2013
	(in miljoenen euro's)			
Leven	83,5	49,7	97,1	149,0
Schade	65,0	90,6	90,6	42,1
Vermogensbeheer	56,9	26,6	34,1	58,4
Bank	55,5	16,1	31,5	21,3
Corporate en overige activiteiten(2)	-31,1	7,6	1,6	-16,7
Operationeel technisch resultaat(3)	**229,7**	**190,7**	**255,0**	**254,1**
Investment spread/LTIR(4)	710,6	427,7	286,0	360,0
Operationeel Resultaat	**940,3**	**618,4**	**541,1**	**614,1**
Voorbeeldbelasting(5)	-235,1	-154,6	-135,3	-153,5
Belang derden	-27,2	-30,2	-29,0	-34,5
Netto Operationeel Resultaat	**678,0**	**433,5**	**376,8**	**426,1**

(1) Het Operationeel Resultaat en het Netto Operationeel Resultaat zoals gepresenteerd door de Groep zijn niet volgens de IFRS-maatstaf berekend en geen maatstaf voor de financiële prestaties onder IFRS. Het Netto Operationeel Resultaat is het Operationeel Resultaat na belastingen en belang derden. Het Operationeel Resultaat en het Netto Operationeel Resultaat zijn voor de jaren eindigend op 31 december 2015 en 2014 (InvSp) op een andere basis berekend dan voor de jaren eindigend op 31december 2014 (LTIR) en 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 is derhalve vergelijkbaar met het jaar eindigend op 31 december 2014 (InvSp), en het jaar eindigend op 31 december 2014 (LTIR) is vergelijkbaar met het jaar eindigend op 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 en voor het jaar eindigend op 31 december 2014 (InvSp) is niet vergelijkbaar met het Operationeel Resultaat voor het jaar eindigend op 31 december 2014 (LTIR) en het Operationeel Resultaat voor het jaar eindigend op 31 december 2013. Zie voor meer informatie de inleiding bij het bovenstaande hoofdstuk over het Operationeel Resultaat en Netto Operationeel Resultaat.

(2) Corporate en overige activiteiten zijn inclusief algemene kosten en supportdiensten van de Groep, alsook Amstelhuys (welke niet is inbegrepen in het bedrijfssegment Bank van de Groep), tezamen met consolidatie- en eliminatieposten. Bij Corporate en overige activiteiten is ook de opbrengst van de verkoop van CZ in het jaar eindigend op 31 december 2015 inbegrepen.

(3) Het operationeel technisch resultaat voor de jaren eindigend op 31 december 2014 (LTIR) en 2013 zijn de cijfers die zijn gerapporteerd in de jaarverslagen van 2014 van de Groep en zijn berekend op een andere basis dan die welke is gebruikt voor de jaren eindigend op 31 December 2015 en 2014 (InvSp). Veranderingen als gevolg van de toereikendheidstoets (Liability adequacy test of "LAT") (d.w.z. een toets die wordt uitgevoerd om te verzekeren dat er toereikende voorzieningen zijn getroffen voor de totale verzekeringsverplichtingen) van Delta Lloyd Life België zijn buiten beschouwing gelaten voor de jaren eindigend op 31 december 2015 en 2014 (InvSp) om de volatiliteit binnen het resultaat te reduceren.

(4) Voor de jaren eindigend op 31 december 2015 en 2014 (InvSp) staat de investment spread voor het directe rendement minus de kosten van passiva. Laatstgenoemde post bestaat uit de vereiste rente op eigen-risico levens- en schadeverzekeringen en financieringskosten. De investment spread bestaat hoofdzakelijk uit couponopbrengsten, rente-inkomsten uit hypotheken, dividendinkomsten en huurinkomsten. Voor de jaren eindigen op 31 december 2014 (LTIR) en 2013 is de definitie van rendement op lange termijn gebruikt zoals van toepassing en gerapporteerd in het jaarverslag van de Groep over die jaren. Het rendement op lange termijn staat voor de som van (a) de referentierente voor het gemiddelde eigen vermogen, (b) de risicomarge (3,5%) op gemiddelde eigen-risico vermogensbestanddelen en (c) de risicomarge (2,0%) op gemiddelde eigen-risico vastgoedvermogensbestanddelen. De verandering van LTIR in investment spread is doorgevoerd om het rendement op lange termijn meer in lijn te brengen met de IFRS winst- en verliesrekening.

(5) Voorbeeldbelasting staat voor belasting over deze periode op basis van het wettelijke vennootschapsbelastingtarief in Nederland (25%) voor alle business units.

(6) De vergelijke cijfers van 31 december 2014 zijn gecorrigeerd voor de segmenten Asset Management en Corporate en activiteiten in overige bedrijfssegmenten na de overheveling van Delta Lloyd Treasury van het bedrijfssegment Asset Management naar het bedrijfssegment Corporate en overige activiteiten.

Het Operationeel Resultaat en Netto Operationeel Resultaat zijn niet berekend op basis van IFRS-maatstaven. De onderstaande tabel toont de aansluiting van het Netto Operationeel Resultaat en Operationeel Resultaat op het IFRS-resultaat voor belasting voor de jaren eindigend op 31 december 2015, 2014 en 2013 op basis van de investment spread-methode.

	Jaar eindigend op 31 december			
	2015	2014 (InvSp)(1)	2014 (LTIR)(1)	2013
	(in miljoenen euro's)			
Netto Operationeel Resultaat	**678,0**	**433,5**	**376,8**	**426,1**
Vennootschapsbelasting	-235,1	-154,6	-135,3	-153,5
Belang derden	-27,2	-30,2	-29,0	-34,5
Operationeel Resultaat	**940,3**	**618,4**	**541,1**	**614,1**
Rendement op lange termijn	N/A	N/A	-286,0	-360,0
Mutaties van activa(2)	-1.022,1	6.439,1	7.943,3	-76,8
Mutaties van passiva	380,6	-6.457,3	-7.191,8	50,3
Voorzieningen voor verlieslatende contracten	-162,1	-134,0	-134,0	0,0
Overig	13,7	1,9	-404,3	17,2
IFRS-resultaat voor belasting uit voortgezette activiteiten	**150,4**	**468,2**	**468,2**	**244,8**

(1) Het Operationeel Resultaat en het Netto Operationeel Resultaat zoals gepresenteerd door de Groep zijn niet volgens de IFRS-maatstaf berekend en zijn geen maatstaf voor de financiële prestaties onder IFRS. Het Netto Operationeel Resultaat is het Operationeel Resultaat na belastingen en belang derden. Het Operationeel Resultaat en het Netto Operationeel Resultaat zijn voor de jaren eindigend op 31 december 2015 en 2014 (InvSp) op een andere basis berekend dan voor de jaren eindigend op 31december 2014 (LTIR) en 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 is derhalve vergelijkbaar met het jaar eindigend op 31 december 2014 (InvSp), en het jaar eindigend op 31 december 2014 (LTIR) is vergelijkbaar met het jaar eindigend op 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 en voor het jaar eindigend op 31 december 2014 (InvSp) is niet vergelijkbaar met het Operationeel Resultaat voor het jaar eindigend op 31 december 2014 (LTIR) en het Operationeel Resultaat voor het jaar eindigend op 31 december 2013. Zie voor meer informatie de inleiding bij het bovenstaande hoofdstuk over het Operationeel Resultaat en het Netto Operationeel Resultaat.

(2) Mutaties van activa bestaan uit de spread van de Collateralised AAA bond curve versus de DNB swap curve, P&L impact op eigen pensioenactiva, P&L impact van creditspread, P&L impact op rente, kosten van de UFR (het verschil vóór belasting tussen de veronderstelde kosten van passiva op basis van de 13-jaars spot rate voor het operationeel resultaat en het feitelijke voordeel van de UFR berekend voor alle looptijden onder IFRS) en andere posten (vermogensresultaat, pull-to-par (d.w.z. het effect waarbij de prijs van een schuldinstrument naar nominale waarde convergeert naarmate de tijd verstrijkt) en andere effecten).

Het Operationeel Resultaat en Netto Operationeel Resultaat zijn niet berekend volgens de IFRS-maatstaven. De onderstaande tabel toont de aansluiting van het Netto Operationeel Resultaat en Operationeel Resultaat op het IFRS-resultaat voor belasting voor de jaren eindigend op 31 december 2015, 2014 en 2013 gebruikmakend van de rendement-op-lange-termijn-methode.

	Jaar eindigend op 31 december			
	2015	2014 (InvSp)(1)	2014 (LTIR)(1)	2013/2
	(EUR million)			
Netto Operationeel Resultaat	**678,0**	**433,5**	**376,8**	**426,1**
Vennootschapsbelasting	-235,1	-154,6	-135,3	-153,5
Belang derden	-27,2	-30,2	-29,0	-34,5
Operationeel Resultaat(3)	**940,3**	**618,4**	**541,1**	**614,1**
- Rendement op lange termijn	N/A	N/A	-286,0	-360,0
+/- Reële-waardeaanpassingen passiva(4)	68,5	-6.398,5	-6.398,5	725,2
+/- Feitelijk rendement na winstverdeling / opgebouwde rente(5)	-527,0	6.310,8	6.674,0	-600,4
+/- Niet-operationele posten	-331,4	-62,4	-62,4	-134,1
IFRS-resultaat voor belastingen uit voortgezette activiteiten	**150,4**	**468,2**	**468,2**	**244,8**

(1) Het Operationeel Resultaat en het Netto Operationeel Resultaat zoals gepresenteerd door de Groep zijn niet volgens de IFRS-maatstaf berekend en zijn geen maatstaf voor de financiële prestaties onder IFRS. Het Netto Operationeel Resultaat is het Operationeel Resultaat na belastingen en belang derden. Het Operationeel Resultaat en het Netto Operationeel Resultaat zijn voor de jaren eindigend op 31 december 2015 en 2014 (InvSp) op een andere basis berekend dan voor de jaren eindigend op 31december 2014 (LTIR) en 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 is derhalve vergelijkbaar met het jaar eindigend op 31 december 2014 (InvSp), en het jaar eindigend op 31 december 2014 (LTIR) is vergelijkbaar met het jaar eindigend op 31 december 2013. Het Operationeel Resultaat voor het jaar eindigend op 31 december 2015 en voor het jaar eindigend op 31 december 2014 (InvSp) is niet vergelijkbaar met het Operationeel Resultaat voor het jaar eindigend op 31 december 2014 (LTIR) en het Operationeel Resultaat voor het jaar eindigend op 31 december 2013. Zie voor meer informatie de inleiding bij het bovenstaande hoofdstuk over het Operationeel Resultaat en het Netto Operationeel Resultaat.

(2) De gepresenteerde cijfers weerspiegelen de aanpassingen die het gevolg zijn van veranderingen in verslagleggingsmethoden als gevolg van de toepassing van IFRS 10 en een wijziging in de verslaglegging ten aanzien van een deel van langetermijnverplichtingen en daaraan gerelateerde activa, die in 2014 zijn doorgevoerd.

(3) Bij het realiseren van aansluiting van het Operationeel Resultaat op het resultaat voor belastingen heeft de Groep het rendement op lange termijn in mindering gebracht op het Operationeel Resultaat en vervangen door het feitelijke rendement dat is behaald op de beleggingsportefeuille na winstverdeling en rente op passiva. Deze cijfers kunnen aanzienlijk verschillen aangezien de IFRS beleggingsvolatiliteit hierbij is inbegrepen en de "voor verkoop beschikbaar" mutaties in de balans buiten beschouwing zijn gelaten. De reëlewaardeaanpassingen van de verzekeringsverplichtingen als gevolg van de veranderingen in de rentecurve die is gebruikt voor waardering van deze passiva zijn buiten beschouwing gelaten, en bepaalde incidentele uitgaven en kosten zijn niet meegewogen in het technisch resultaat.

(4) Dit staat voor de mutaties in passiva als gevolg van de veranderingen in de Collateralised AAA bond curve voor de jaren eindigend op 31 december 2015, 2014 en 2013.

(5) Dit staat voor de feitelijke resultaten van de beleggingsportefeuille van de Groep in deze periode, d.w.z. de som van (a) de feitelijke beleggingsinkomsten van de Groep, (b) het aandeel winst of verlies na belasting uit deelnemingen en (c) andere inkomsten minus de som van (x) financieringskosten en (y) veranderingen in de verzekeringsverplichtingen vanwege opgebouwde rente en winstverdeling.

B.8	Geselecteerde belangrijke pro forma financiële informatie	Niet van toepassing. Het Prospectus bevat geen pro forma financiële informatie.
B.9	Winstprognose	Niet van toepassing. De Vennootschap heeft geen winstprognose of -schatting openbaar gemaakt.
B.10	Voorbehoud historische financiële informatie in de accountantsverklaring	Niet van toepassing. Er is geen voorbehoud betreffende historische financiële informatie van de Vennootschap gemaakt in de accountantsverklaring.
B.11	Verklaring over werkkapitaal	Volgens de Vennootschap is het werkkapitaal waarover de Groep de beschikking heeft toereikend om de Groep in staat te stellen ten minste de eerste 12 maanden na datum van dit Prospectus de uitgaven te verrichten die uit het werkkapitaal moeten worden gedaan. Volgens de Vennootschap beschikt de Groep over voldoende liquide middelen om ten minste de eerste 12 maanden na datum van dit Prospectus aan haar verplichtingen te voldoen. Voor de verzekeringsactiviteiten van de Groep zijn voldoende liquide beleggingen en instromende nieuwe premies beschikbaar in verhouding tot de stabiele uitstroom van betalingen. De Groep heeft als streefdoel een liquiditeitsdekkingsratio (liquidity coverage ratio—"LCR") van 105% voor haar verzekeringsentiteiten vastgesteld. Dit doel wordt ruimschoots gehaald, d.w.z. uit de ratio's blijkt dat de Groep in geval van een stresssituatie (zoals massaal verval of een ramp) over een voldoende liquide aandelenvoorraad beschikt. De huidige liquiditeitspositie van Delta Lloyd Bank Nederland is toereikend om te voldoen aan de toepasselijke liquiditeitsvereisten zoals vastgelegd in het CRD IV kader. De Vennootschap en andere dochterondernemingen binnen de Groep zijn niet onderworpen aan dergelijke liquiditeitsvereisten.

<table>
<tr><th colspan="3">Afdeling C—Effecten</th></tr>
<tr><td>C.1</td><td>Beschrijving van type en categorie van de effecten die tot de handel worden toegelaten, inclusief security identificatie nummer</td><td>De effecten die tot de handel worden toegelaten zijn de Rechten, zijnde de 227.567.943 overdraagbare inschrijvingsrechten met betrekking tot inschrijving op de Aangeboden Aandelen, en de Aangeboden Aandelen, zijnde 227.567.943 nieuwe Gewone Aandelen die door de Vennootschap worden aangeboden in het kader van de Aanbieding.

Codes voor de Rechten

Symbool: “DLRI”
Het International Security Identification Number (“ISIN”) is: NL0011784020

Codes voor de Aangeboden Aandelen

Symbool: “DL”

ISIN-code: NL0009294552.</td></tr>
<tr><td>C.2</td><td>Valuta van de Effecten</td><td>De Aanbieding zal worden uitgevoerd en de handel in Rechten zal plaatsvinden in euro’s. De Aangeboden Aandelen luiden in euro’s. Eventuele uitkeringen zullen eveneens plaats vinden in euro’s.</td></tr>
<tr><td>C.3</td><td>Aantal aandelen en nominale waarde</td><td>Per datum van het Prospectus bedraagt het maatschappelijk kapitaal van de Vennootschap EUR 150.000.000, onderverdeeld in: (i) 360.000.000 Gewone Aandelen met een nominale waarde EUR 0,20 per stuk, (ii) 15.000.000 Preferente Aandelen A met een nominale waarde van EUR 0,20 per stuk, en (iii) 375.000.000 Beschermingspreferente Aandelen B met een nominale waarde van EUR 0,20 per stuk. Per datum van het Prospectus waren er 227.551.467 Gewone Aandelen en 10.021.495 Preferente Aandelen A geplaatst en volgestort. Alle geplaatste Preferente Aandelen A zijn in handen van Stichting Fonds NutsOhra. Er zijn geen Beschermingspreferente Aandelen B uitgegeven.

Gezien het verwachte aantal uit te geven Gewone Aandelen in de Aanbieding heeft de Algemene Vergadering in een buitengewone vergadering van aandeelhouders gehouden op 16 maart 2016 besloten tot een wijziging van de statuten zoals van kracht op de datum van dit Prospectus (de “Statuten”), teneinde het maatschappelijk kapitaal te verhogen op basis van bepaalde vooraf vastgestelde criteria zoals beschreven in de oproepingsbrief. Op 21 maart 2016 heeft de Raad van Bestuur besloten dat het volgende in de Statuten zal worden opgenomen:
<table>
<tr><th>Type:</th><th>Aantal</th></tr>
<tr><td>Gewone Aandelen</td><td>912.365.110</td></tr>
<tr><td>Preferente Aandelen A</td><td>15.000.000</td></tr>
<tr><td>Beschermingspreferente Aandelen B</td><td>927.365.110</td></tr>
<tr><td>Totaal</td><td>1.854.730.220</td></tr>
</table>
Deze aanpassing wordt van kracht op het moment dat er Gewone Aandelen worden uitgegeven na voltooiing van de Aanbieding krachtens de passering van een akte van uitgifte dienaangaande door de Vennootschap.

Op 16 maart 2016 heeft de raad van bestuur van Delta Lloyd (de “Raad van Bestuur”) besloten om, afhankelijk van goedkeuring van de raad van commissarissen van de Vennootschap (de “Raad van Commissarissen”), de Rechten toe te kennen en de Aangeboden Aandelen uit te geven onder rechtsgeldige uitsluiting van de wettelijke voorkeursrechten van Aandeelhouders met betrekking tot de Aanbieding. Voorts is er een pricing commissie ingesteld</td></tr>
</table>

		bestaande uit de voorzitter van de Raad van Bestuur en de voorzitter van Raad van Commissarissen (de "Pricing Commissie"), welke de bevoegdheid heeft namens de Raad van Bestuur en de Raad van Commissarissen elk besluit te nemen in verband met de Aanbieding. De Raad van Commissarissen heeft voornoemd besluit van de Raad van Bestuur goedgekeurd, geratificeerd en bekrachtigd op 16 maart 2016. Op 21 maart 2016 heeft de Pricing Commissie over de definitieve voorwaarden van de Aanbieding besloten.
C.4	Aan de Effecten verbonden rechten	Ieder Gewoon Aandeel geeft zijn houder het recht om één stem uit te brengen op de Algemene Vergadering van de Vennootschap, zijnde het bevoegde vennootschapsorgaan, of indien de context anders vereist, de fysieke vergadering. Er gelden geen stemrechtbeperkingen, met dien verstande dat de Vennootschap geen stemrecht heeft met betrekking tot Gewone Aandelen die door de Vennootschap worden gehouden. De Aangeboden Aandelen geven recht op dividend dat door de Vennootschap met betrekking tot Gewone Aandelen wordt vastgesteld na 11 april 2016 (de "Afwikkelingsdatum"). Aandeelhouders hebben een voorkeursrecht bij een uitgifte van Gewone Aandelen. Aandeelhouders hebben geen voorkeursrecht bij de uitgifte van Preferente Aandelen A en Beschermingspreferente Aandelen B. Er is geen sprake van voorkeursrecht wat betreft de uitgifte van Aandelen tegen een vergoeding anders dan geld of wat betreft Aandelen die zijn uitgegeven aan werknemers van de Vennootschap. De wettelijke voorkeursrechten van de Aandeelhouders met betrekking tot de Aanbieding zijn uitgesloten, zoals hieronder nader toegelicht. De Algemene Vergadering mag, op voorstel van de Raad van Bestuur en met goedkeuring van de Raad van Commissarissen, besluiten om de voorkeursrechten te beperken of uit te sluiten, en een dergelijk besluit mag worden genomen met absolute meerderheid van stemmen ingeval minstens de helft van het geplaatste aandelenkapitaal vertegenwoordigd is op de Algemene Vergadering waar een dergelijk voorstel in stemming wordt gebracht (ingeval dit niet het geval is, is een tweederde meerderheid van stemmen benodigd voor het besluit). De Algemene Vergadering mag de Raad van Bestuur, met goedkeuring van de Raad van Commissarissen, opdracht geven om een besluit te nemen met betrekking tot beperking of uitsluiting van de voorkeursrechten. Deze opdracht mag alleen aan de Raad van Bestuur worden gegeven voor een gespecificeerde periode van niet meer dan vijf jaar en uitsluitend indien de Raad van Bestuur ook de bevoegdheid heeft dan wel gelijktijdig de bevoegdheid krijgt om besluiten te nemen ten aanzien van de uitgifte van Aandelen. De opdracht mag telkens maximaal vijf jaar worden verlengd en is uitsluitend van toepassing zolang de opdracht tot uitgifte van Aandelen van kracht is. Op 21 mei 2015 heeft de Algemene Vergadering, met goedkeuring van de Raad van Commissarissen, besloten om de Raad van Bestuur te benoemen tot het bevoegde orgaan voor het uitgeven van Gewone Aandelen en het toekennen van inschrijvingsrechten op Gewone Aandelen voor een periode van 18 maanden. In haar besluit heeft de Algemene Vergadering besloten om de bevoegdheid van de Raad van Bestuur met betrekking tot de uitgifte van Gewone Aandelen te beperken tot een maximum van 10% van het uitgegeven aandelenkapitaal op 21 mei 2015, plus 10% van het uitgegeven

		aandelenkapitaal op 21 mei 2015 in geval van een uitgifte in de context van (de financiering van) een fusie, overname of joint venture door de Vennootschap of een van haar dochterondernemingen. Deze beperking is niet van toepassing op de bevoegdheid van de Raad van Bestuur inzake de uitkering van een interim-dividend in de vorm van Gewone Aandelen zoals bedoeld in Artikel 44.10 van de Statuten. Op 16 maart 2016 heeft de Algemene Vergadering de Raad van Bestuur als het bevoegde orgaan gemachtigd om, afhankelijk van goedkeuring door de Raad van Commissarissen, de rechten toe te kennen en de Aangeboden Aandelen uit te geven en op rechtsgeldige wijze de wettelijke voorkeursrechten van Aandeelhouders met betrekking tot de Aanbieding uit te sluiten, zulks onverminderd de bovengenoemde machtiging. Dientengevolge blijven de opdrachten die zijn beschreven in de voorgaande alinea's van kracht. Op 16 maart 2016 heeft de Raad van Bestuur het besluit genomen om, afhankelijk van goedkeuring door de Raad van Commissarissen, de Rechten toe te kennen en de Aangeboden Aandelen uit te geven en op rechtsgeldige wijze de wettelijke voorkeursrechten van Aandeelhouders met betrekking tot de Aanbieding uit te sluiten. De Raad van Commissarissen heeft voornoemd besluit van de Raad van Bestuur goedgekeurd, geratificeerd en bekrachtigd op 16 maart 2016. Op 21 maart 2016 heeft de Pricing Commissie over de definitieve voorwaarden van de Aanbieding besloten.
C.5	Beperkingen op de vrije overdraagbaarheid van de Aangeboden Effecten	Er gelden ingevolge de Statuten geen beperkingen ten aanzien van de overdraagbaarheid van de Gewone Aandelen. Maar de Aanbieding van de Aangeboden Effecten aan personen die gevestigd of woonachtig zijn in, of die inwoners zijn van, dan wel een vestigingsadres hebben in landen anders dan Nederland en België, alsook de overdracht van Aangeboden Effecten naar jurisdicties anders dan Nederland een België kan onderworpen zijn aan specifieke regelgeving of beperkingen. Rechten mogen uitsluitend op de Registratiedatum worden uitgeoefend en gebruikt voor de inschrijving op Aangeboden Aandelen door Aandeelhouders en daaropvolgende rechtverkrijgenden, die in ieder geval in staat moeten zijn garanties en toezeggingen zoals beschreven in "Beperkingen ten aanzien van Verkoop en Overdracht" ("Bevoegde Personen") te overleggen. Rechten toegekend aan Aandeelhouders die geen Bevoegde Personen zijn, gelden niet als aanbieding van Aangeboden Aandelen aan dergelijke personen. De Rechten zullen worden bijgeschreven op hun rekening en er worden geen rechten toegekend aan dergelijke personen, met inbegrip van het recht om de bijgeschreven Rechten in kwestie op te nemen, uit te oefenen, te verkopen of anderszins over te dragen. Zij hebben recht op uitkering in contanten naar verhouding van het aantal niet-uitgeoefende Rechten die eerder werden aangehouden op hun effectenrekening, met inachtneming van het besprokene in het onderstaand Element E.3 onder "Voorwaarden van de Aanbieding—Uitkering van niet-uitgeoefende rechten".
C.6	Beursnotering en toelating tot handel	Er is een aanvraag ingediend voor een toelating tot de notering van en handel in de Rechten aan Euronext in Amsterdam, de gereglementeerde markt van Euronext Amsterdam N.V. ("Euronext Amsterdam") en aan Euronext in Brussel, de gereglementeerde markt van Euronext Brussels SA/NV ("Euronext Brussel").

		De Vennootschap verwacht dat de handel in de Rechten aan Euronext in Amsterdam en Euronext in Brussel zal aanvangen om 09:00 uur Midden-Europese tijd, of wanneer van toepassing Midden-Europese Zomertijd ("MET") op 24 maart 2016 en zal worden voortgezet tot 17:40 uur MET op 6 april 2016, onvoorziene omstandigheden daargelaten. De Rechten worden aan Euronext in Amsterdam en Euronext in Brussel verhandeld onder het symbool "DLRI" en ISIN code NL0022784020. De Vennootschap verwacht dat de Aangeboden Aandelen zullen worden toegelaten voor notering en dat handel in de Aangeboden Aandelen aan Euronext in Amsterdam en Euronext in Brussel zal aanvangen op 11 april. De Gewone Aandelen zijn genoteerd aan Euronext in Amsterdam en Euronext in Brussel onder het symbool "DL" en ISIN code NL0009294552.
C.7	Dividendbeleid	De Vennootschap heeft als onderdeel van het Kapitaalplan in november 2015 een bijgesteld dividendbeleid geïntroduceerd, dat is besproken tijdens de buitengewone vergadering van aandeelhouders van 16 maart 2016. De Raad van Bestuur streeft ernaar jaarlijks een stabiel dividend uit te keren, met inachtneming van haar ladder van interventie (zie "*Operating and Financial Review - Liquidity and Capital Resources - Regulatory Capital Requirements - Solvency II*") en met goedkeuring van de aandeelhouders van de Groep. Daarnaast zal de Raad van Bestuur bij de beslissing rekening houden met alle relevante factoren, waaronder de op dat moment bestaande en verwachte liquiditeit van de Groep en geldende regelgeving. Voor zover de uitkering van een dividend in navolging van dit beleid in strijd zou zijn met de interne solvabiliteitsdrempel van de Groep, zal het management diverse mogelijke alternatieve vormen van kapitaalmanagement in overweging nemen. Mogelijke acties zouden onder meer kunnen zijn: • het aantrekken van kapitaal anders dan aandelen, (bijvoorbeeld Tier 1 of Tier 2 kapitaalinstrumenten); • hedging of andere strategieën om de netto blootstelling aan belangrijke risico's te verminderen; en • andere maatregelen om de kapitaalbehoefte van de Groep te verminderen (zoals vermindering van het aantal producten met een hoger kapitaalbeslag). Dergelijke alternatieve maatregelen worden alleen genomen na grondige bestudering van het effect dat dergelijke maatregelen op de lange termijn kunnen hebben op de winstgevendheid en bedrijfsactiviteiten van de Groep. **Wijze en tijdstip van dividenduitkering** De uitkering van contant dividend op Gewone Aandelen vindt plaats in euro's. Op voorstel van de Raad van Bestuur en met goedkeuring van de Raad van Commissarissen kan de Algemene Vergadering beslissen om het dividend op Gewone Aandelen geheel of gedeeltelijk uit te keren in Aandelen in plaats van in contanten. Voor interim-dividenden heeft de Raad van Bestuur deze bevoegdheid, met goedkeuring van de Raad van Commissarissen. De Vennootschap is voornemens om het verwaterende effect van het aandelendividend op de winst per Gewoon Aandeel te beperken door de aankoop van

		Gewone Aandelen op de markt. De Vennootschap kan de aantrekkelijkheid van contant dividend tegenover dividend in aandelen bijstellen. De waarde van het dividend in aandelen wordt ten laste gebracht van de agioreserve van de Gewone Aandelen. Het standaardbeleid van de Vennootschap is om een interim-dividend en een finaal dividend uit te betalen. Op dividenduitkeringen wordt in Nederland over het algemeen dividendbelasting ingehouden. De Vennootschap keert binnen vier weken na goedkeuring van de jaarrekening een slotdividend uit, tenzij de Algemene Vergadering op voorstel van de Raad van Bestuur een andere datum vaststelt. Er wordt interim-dividend uitgekeerd na de publicatie van de halfjaarresultaten. Er kunnen andere uitkeringsdata worden vastgesteld voor de Gewone Aandelen, de Preferente Aandelen A en de Beschermingspreferente Aandelen B. Dividenden vervallen vijf jaar na betaalbaarstelling. Dividend dat niet binnen deze periode wordt geïnd, komt toe aan de Vennootschap. **Beoogd dividend voor het boekjaar 2016** Voor het boekjaar 2016 streeft de Groep naar een dividend van EUR 130 miljoen, afhankelijk van een interne solvabiliteitsdrempel en goedkeuring door de aandeelhoudersvergadering. Het streefbedrag voor 2016 is hoger dan het geaggregeerde bedrag van de het contante dividend dat in elk van de jaren 2014, 2013 en 2012 is uitgekeerd (2014: EUR 87 miljoen, 2013: EUR 71 miljoen, 2012: EUR 73 miljoen). Per aandeel zou het voor 2016 beoogde dividend, door verwatering ten gevolge van de Aanbieding, evenwel lager zijn dan in die jaren.

		Afdeling D—Risico's
D.1	Voornaamste risico's specifiek voor de Vennootschap of de sector waarin de Vennootschap actief is	Hieronder volgt een samenvatting van, naar de mening van de Groep, de grootste risico's die verbonden zijn aan een investering in de Vennootschap en de Gewone Aandelen. ***Financiële risico's*** • Veranderingen op de financiële markten en in het algemene economische klimaat kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De Groep is blootgesteld aan kredietrisico's, en wanbetaling dan wel verhoogde vrees voor wanbetaling door haar debiteuren of andere entiteiten waarin de Groep heeft geïnvesteerd. Deze kunnen een wezenlijke negatieve invloed hebben op de waarde van de activa van de Groep; • Veranderingen in levensduur, sterfte- en ziektecijfers die hoger uitvallen dan de schattingen van de Groep kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De invloed van Langlevenderivaten wordt deels weerspiegeld in de solvabiliteitsratio's van de Groep onder Solvency II en na overleg met DNB is deze beperkt qua tijdsduur, tenzij er aan bepaalde voorwaarden wordt voldaan. Is de Groep niet in staat om de langlevenderivaten

		te herstructureren, dan zou dat een significante en negatieve invloed hebben op de solvabiliteitsratio van de Groep onder Solvency II (SF) (huidige schatting: 7 procentpunt). • De aanhoudende lage rentes van de afgelopen jaren hebben een wezenlijke negatieve invloed gehad op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie, solvabiliteitsratio's en vooruitzichten. Deze negatieve invloed zou kunnen voortduren. • Schommelingen in rentetarieven alsook in de rentetarieven die worden gebruikt ingevolge de vereisten van regelgevende instanties met betrekking tot de waardering van de passiva van de Groep tijdens haar overgang naar Solvency II kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • Stijgende rentes kunnen leiden tot een waardeverlaging van de vastrentende beleggingen van de Groep, het aantal gevallen van polisverval en afkoop doen toenemen en hogere eisen stellen aan het afdekken van risico's door de Groep, en dit kan een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • Negatieve ontwikkelingen in vergelijking met de aannames die worden gehanteerd bij de prijsstelling van producten, het treffen van voorzieningen en de rapportage van resultaten kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • Indien het gebruik van derivaten door de Groep onvoldoende is om haar tegen bepaalde risico's te beschermen of niet effectief is in het beperken van de blootstelling van de Groep aan deze risico's, kan dit een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten en financiële situatie. ***Strategische risico's*** • De Groep is mogelijk niet in staat tot implementatie van haar kapitaalmanagement- en andere plannen en haar efficiencyprogramma's die zij van strategisch belang acht voor het vergroten van haar winstgevendheid. Daarnaast is voltooiing van de Aanbieding belangrijk voor de mate waarin de Groep in de toekomst zal kunnen voldoen aan de vereiste solvabiliteitsratio onder Solvency II. Indien de Groep er niet in slaagt om haar kapitaalmanagement- en andere plannen en haar efficiencyprogramma's te implementeren of om de Aanbieding te voltooien, dan kan dit een negatief effect hebben op de solvabiliteitsratio's van de Groep onder Solvency II (SF), en kan dit een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten.

		• De Groep leunt in Nederland zwaar op haar netwerk van intermediairs voor de verkoop en distributie van haar producten en is mogelijk niet in staat een concurrerend distributienetwerk aan te houden. Ingeval de Groep er niet in slaagt een concurrerend distributienetwerk aan te houden, met inbegrip van deelname aan, of de ontwikkeling van een internetgebaseerd platform om haar marktaandeel nieuwe verkopen via dit nieuwe distributiekanaal beter te behouden dan via de traditionele distributiekanalen, dan kan dit een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De Groep ondervindt aanzienlijke concurrentie in al haar bedrijfssegmenten, onder meer van binnenlandse en buitenlandse verzekeringsmaatschappijen, distributeurs, financieel adviseurs, banken, vermogensbeheerders en gediversifieerde financiële instellingen, zowel wat betreft de eindklanten van de Groep als wat betreft haar distributiekanalen via derden. De Groep is blootgesteld aan het risico van verdere veranderingen in deze sterk concurrerende omgeving en dit kan een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De Groep is blootgesteld aan het risico van schade aan haar merken, de merken van haar partners of haar reputatie. Dit zou potentiële klanten, bestaande klanten en intermediairs kunnen doen besluiten om geen zaken te doen met de Groep. Voorts zou negatieve publiciteit kunnen resulteren in strenger toezicht door regelgevende instanties en van invloed kunnen zijn op de manier waarop de Groep wordt beoordeeld door ratingbureaus en commerciële bureaus, en dit zou het voor de Groep moeilijker kunnen maken om haar kredietwaardigheidsscore te behouden. • De Groep is met ABN AMRO en CZ strategische allianties aangegaan. De beëindiging van of enige verandering in deze allianties kan een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, inkomsten, winstcijfers of financiële situatie. • De activiteiten van de Groep zijn in hoofdzaak geconcentreerd in Nederland en België. Daarom is de Groep met name blootgesteld aan de economische omstandigheden, de marktsituatie, het fiscale regime en de regelgeving in Nederland en België en is zij zeer gevoelig voor veranderingen in deze factoren. Negatieve ontwikkelingen in deze landen kunnen een wezenlijke negatieve invloed hebben op de groei van de Groep en op haar bedrijfsactiviteiten en bedrijfsresultaten. ***Risico's in verband met wet- en regelgeving*** • De Groep is onderworpen aan uitgebreide wet- en regelgeving wat betreft dienstverlening op het gebied van verzekeringen, vermogensbeheer , bankieren, pensioenen en andere financiële diensten, en aan toezicht door een

		groot aantal regelgevende instanties die uitgebreide beheersbevoegdheden hebben met betrekking tot de Groep. Deze wet- en regelgeving is voortdurend onderhevig aan verandering en de invloed daarvan is onzeker. Verzuim in de nakoming van wet- en regelgeving kan leiden tot ingrijpen door een regelgevende instantie en dit kan schade toebrengen aan de goede naam van de Groep en een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, vermogen om dividend uit te keren, financiële situatie en vooruitzichten. Is de Groep niet in staat om voortgang te boeken met de toepassing van het gedeeltelijk intern model vóór 1 januari 2017 of om een gedeeltelijk intern model dat voldoet aan Solvency II vóór 1 januari 2018 te laten goedkeuren door DNB, dan kan dit een wezenlijke negatieve invloed hebben op haar activiteiten, solvabiliteit, bedrijfsresultaten, vermogen om dividend uit te keren en financiële situatie. • Op 1 januari 2016 is Solvency II, een nieuw regime ter regulering van solvabiliteitsmarges en -voorzieningen, van kracht geworden. Er bestaan onduidelijkheden omtrent de implementatie en interpretatie van dit nieuwe solvabiliteitsregime en indien de Groep niet in staat is om aan de vereisten van Solvency II te voldoen, kan dit een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar solvabiliteit, bedrijfsresultaten, vermogen om dividend uit te keren en financiële situatie. • Delta Lloyd Bank Nederland is onderworpen aan uitgebreide en gedetailleerde wet- en regelgeving wat betreft dienstverlening op het gebied van bankieren en andere financiële diensten, met inbegrip van strenge eisen op het gebied van kapitaal en liquiditeit. Ongunstige wijzigingen in dergelijke wet- en regelgeving en/of wijzigingen in de interpretatie van bestaande wet- en regelgeving kan een negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De afgelopen jaren zijn de financiële dienstverlening en financiële producten in toenemende mate onderwerp geweest van gerechtelijke procedures, onderzoeken en regelgevingsactiviteiten door diverse overheidsinstanties, toezichthouders en wetshandhavingsautoriteiten alsook privépersonen. Negatieve publiciteit, vorderingen en beschuldigingen, gerechtelijke procedures en onderzoek en sancties door regelgevende instanties kunnen een negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • Negatieve publiciteit, vorderingen en aantijgingen, gerechtelijke procedures en onderzoek en sancties door regelgevende instanties kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De activiteiten van de Groep zouden negatieve invloed kunnen ondervinden van aandeelhoudersactivisme, dat zou kunnen leiden tot instabiliteit van de Groep, aanzienlijke kosten te haren laste, problemen bij de uitvoering van het

		kapitaalmanagement en andere plannen van de Groep en daling van de marktwaarde van haar Gewone Aandelen. • De Groep loopt het risico door klanten die zich misleid of oneerlijk bejegend voelen, beschuldigd te worden van het verstrekken van onvoldoende informatie over de verkochte producten. In de loop der jaren zijn de regelgevingsvereisten en de verwachtingen van diverse stakeholders, waaronder klanten, regelgevende instanties en het grote publiek, alsook de standaarden en marktpraktijken, verder ontwikkeld en veranderd met als resultaat dat klanten beter zijn beschermd. Als gevolg daarvan zouden polishouders en consumentenorganisaties in de toekomst gerechtelijke procedures tegen de Groep in gang kunnen zetten omdat zij van mening zijn dat in het verleden verkochte producten niet langer aan de huidige eisen en verwachtingen voldoen. Dit soort beweringen en ontwikkelingen kunnen een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar goede naam, bedrijfsresultaten, solvabiliteit, financiële situatie en vooruitzichten. • De Nederlandse Interventiewet geeft DNB en de Nederlandse Minister van Financiën verreikende extra bevoegdheden om in te grijpen in situaties waarin een instelling, met inbegrip van een financiële groep zoals de Groep, in financiële moeilijkheden raakt of waarin er sprake is van een serieuze en directe bedreiging van de stabiliteit van het Nederlandse financiële systeem als gevolg van een instelling die in moeilijkheden verkeert. Het risico bestaat dat de uitoefening van deze bevoegdheden door DNB of de Nederlandse Minister van Financiën ingevolge de Nederlandse Interventiewet een wezenlijke negatieve invloed heeft op de mate waarin een instelling die in moeilijkheden verkeert, inclusief de Vennootschap, in staat is te voldoen aan haar betalingsverplichtingen en andere verplichtingen uit hoofde van schuldbewijzen, of resulteert in de onteigening, afschrijving, afwaardering, annulering of conversie van effecten zoals de Gewone Aandelen (met inbegrip van de Aangeboden Aandelen) en schuldbewijzen uitgegeven door een instelling die in moeilijkheden verkeert of haar moedermaatschappij, inclusief de Vennootschap. ***Operationele risico's*** • De Groep staat bloot aan operationele risico's, die het gevolg kunnen zijn van ontoereikende of niet goed functionerende interne processen en systemen van de Groep, het gedrag van personeel van de Groep en van derden, en externe gebeurtenissen waarop de Groep geen invloed heeft. Als een van deze operationele risico's zich voordoet, kan dit een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaat en financiële situatie. • Grotere blootstelling aan cybercrime, cloud computing en datamanipulatie stelt de Groep bloot aan financiële risico's en het risico van beschadiging van haar goede naam. Iedere inbreuk op de beveiliging van de IT-systemen van de

		Groep kan schade toebrengen aan de goede naam van de Groep, leiden tot minder verkopen van haar producten en resulteren in strenger toezicht door regelgevende instanties of aanzienlijke burgerlijke en strafrechtelijke aansprakelijkheid, en kan de Groep noodzaken om aanzienlijke technische, juridische en andere kosten te maken, en elk van deze factoren kan een wezenlijke negatieve invloed hebben op de activiteiten van de Groep en op haar bedrijfsresultaten, financiële situatie en vooruitzichten. • De Vennootschap kan mogelijk beperkt worden in haar vermogen dividenden toe te kennen en uit keren aan Aandeelhouders, omdat dit vermogen afhankelijk is van haar winstgevendheid, alsook van reglementaire, wettelijke en financiële beperkingen en de solvabiliteitspositie van de Vennootschap. ***Financiële Verslaggevingsrisico's*** • Er zijn grote verschillen in de waarderingsmethodes voor activa en passiva onder IFRS en onder Solvency II. De publicatie van wezenlijk verschillende resultaten als gevolg van de toepassing van dergelijke verschillende methodes kan van invloed zijn op de waardering van de Gewone Aandelen en kan in bepaalde gevallen een wezenlijke negatieve invloed hebben op de koers van de Gewone Aandelen. De Groep kan ervoor kiezen om haar waarderingsmethode te wijzigen, en dit kan een negatief effect hebben op de gerapporteerde financiële positie van de Groep.
D.3	Voornaamste risico's met betrekking tot de Aangeboden Effecten	***Risico's in verband met de Aanbieding en de Aangeboden Effecten*** • De beurskoers van de Gewone Aandelen kan fluctueren en kan dalen tot onder de Uitgifteprijs. • De Vennootschap kan niet garanderen dat er een actieve handelsmarkt zal ontstaan voor de Rechten en indien er een actieve handelsmarkt ontstaat, kunnen de Rechten aan een grotere volatiliteit blootstaan dan de Gewone Aandelen. Ingeval de Aanbieding niet succesvol is of wordt beëindigd, verliezen de Rechten hun waarde. • Indien Bevoegde Personen hun rechten niet naar behoren en tijdig uitoefenen, kunnen zij mogelijk niet inschrijven op de Aangeboden Aandelen tegen de Uitgifteprijs en ontvangen zij mogelijk geen compensatie voor hun niet-uitgeoefende Rechten. • Bepaalde uitzonderingen daargelaten, zijn Aandeelhouders in bepaalde jurisdicties mogelijk niet in staat om deel te nemen aan de Aanbieding of om te kiezen voor ontvangst van dividend op aandelen, en zullen de deelneming en stemrechten in het aandelenkapitaal van Delta Lloyd van dergelijke Aandeelhouders derhalve verwateren. • Indien een Bevoegde Persoon aan het eind van de Uitoefeningsperiode zijn of haar Rechten niet heeft uitgeoefend, kunnen dergelijke Rechten niet langer worden uitgeoefend, en iedere Bevoegde Persoon die zijn of haar Rechten, ongeacht hoe deze worden aangehouden, niet

		geheel of gedeeltelijk uitoefent, ondervindt verwatering van het percentage van zijn of haar deelneming in de Gewone Aandelen van de Groep. • De Aangeboden Aandelen zijn niet vrij overdraagbaar in de Verenigde Staten. • Aanvullende aanbiedingen van toekomstige verkopen van Gewone Aandelen door de Groep, of de mogelijkheid van dergelijke aanbiedingen van toekomstige verkopen, kunnen een wezenlijke negatieve invloed hebben op de koers van de Gewone Aandelen en de belangen van Aandeelhouders. • Ingeval de Rump Aanbieding niet succesvol is, kunnen de Underwriters een aanzienlijk belang in Delta Lloyd verwerven en hun belangen kunnen verschillen van de belangen van andere Aandeelhouders. • Onder bepaalde omstandigheden kan de Underwriting Overeenkomst (zoals gedefinieerd in Element E.3) worden beëindigd door de Joint Bookrunners namens de Underwriters, en dit kan resulteren in intrekking van de Aanbieding. • Ingeval de Aanbieding niet plaatsvindt op de Afwikkelingsdatum en de Aanbieding wordt ingetrokken, ongeacht of dit al dan niet het gevolg is van beëindiging van de Underwriting Overeenkomst, kan dit een negatieve invloed hebben op de kredietwaardigheidsscores en de financieringskosten van de Groep, en dit kan een scherpe daling van de koers van de Gewone Aandelen tot gevolg hebben. In beide gevallen zouden de Rechten hun waarde verliezen. • Voor het houden en kopen van Gewone Aandelen kunnen kennisgevingen aan en goedkeuringen van bevoegde autoriteiten vereist zijn, en deze zouden de pogingen van de Vennootschap om extra kapitaalaanwas te creëren kunnen hinderen, ontmoedigend kunnen werken voor overnamepogingen en de koers van de Gewone Aandelen negatief kunnen beïnvloeden. • De Statuten en de call-optie ten gunste van Foundation Continuïteit Delta Lloyd bevatten beschermingsbepalingen die overnamepogingen kunnen voorkomen of ontmoedigen die gunstig kunnen zijn voor de Aandeelhouders. • Op de rechten en verantwoordelijkheden van een Aandeelhouder is Nederlands recht van toepassing en dit kan in bepaalde opzichten afwijken van de rechten en verplichtingen van Aandeelhouders op wie het recht van andere jurisdicties van toepassing is, en de rechten van aandeelhouders ingevolge Nederlands recht kunnen mogelijk minder duidelijk omschreven zijn dan de rechten van Aandeelhouders die onderworpen zijn aan het recht van sommige andere jurisdicties. • De mate waarin Aandeelhouders in bepaalde landen anders dan Nederland en België, en in het bijzonder in de Verenigde Staten, in staat zijn een rechtsvordering in te stellen tegen de Vennootschap of sommige of alle leden

		van de Raad van Bestuur en/of de Raad van Commissarissen kan aan wettelijke beperkingen onderhevig zijn. • Wisselkoersfluctuaties en -controles kunnen tot gevolg hebben dat beleggers minder dividenduitkeringen dan verwacht ontvangen wanneer er deviezenvoorschriften worden opgelegd of aangepast door de autoriteiten. • Ingeval effecten- of sectoranalisten geen rapporten publiceren over de bedrijfsactiviteiten of de sector van de Groep, of ingeval dergelijke analisten hun aanbevelingen met betrekking tot de Gewone Aandelen in negatieve zin wijzigen, zouden de koers en het handelsvolume van de Gewone Aandelen kunnen dalen. • Handel in de Aangeboden Aandelen zou onderworpen kunnen worden aan een toekomstige Europese belasting op financiële transacties. • Mogelijke heffing van FATCA-bronbelasting na 2018 kan betekenen dat bepaalde zogenaamde buitenlandse "passthrough payments" door niet-Amerikaanse financiële instellingen onderworpen worden aan inhouding van 30% bronbelasting.

Afdeling E—Aanbieding		
E.1	Netto-opbrengsten en geraamde kosten	De Vennootschap verwacht dat de netto-opbrengsten van de Aanbieding circa EUR 627.4 miljoen zullen bedragen na aftrek van de geraamde kosten, provisies en belastingen in verband met de Aanbieding ten bedrage van circa EUR 21.2 miljoen.
E.2a	Bestemming van de opbrengsten, redenen voor de Aanbieding	**Bestemming van de opbrengsten** De Vennootschap verwacht dat de netto-opbrengsten van de Aanbieding (na aftrek van de provisies van de underwriter en de transactiekosten) circa EUR 627.4 miljoen zullen bedragen. De Aanbieding is een essentieel onderdeel van het Kapitaalplan van de Groep en de ontvangst van de bruto-opbrengst daarvan zal naar verwachting de solvabiliteitsratio van de Groep onder Solvency II (SF) met circa 25 procentpunt doen stijgen. De Vennootschap is voornemens de netto-opbrengsten aan te wenden voor het versterken van haar kapitaalbasis. Hiermee ondersteunt zij haar financiële positie en de uitvoering van haar strategie tijdens haar overgang naar het nieuwe Solvency II regime, dat op 1 januari 2016 van kracht is geworden. De Vennootschap verwacht dat de netto-opbrengsten van de Aanbieding, tezamen met de middelen die de Vennootschap ontvangt uit de voorgenomen verkoop van Van Lanschot en de optimalisatie van het werkkapitaal, haar een kasbuffer zullen geven die haar beter in staat zal stellen om dividenden in contanten uit te keren en bepaalde onderdelen van de Groep zo nodig te herkapitaliseren (het vermogen om dergelijke ondersteuning te verlenen versterkt de mate waarin het verliescompensatievermogen van uitgestelde belastingen (LAC DT) kan worden verantwoord in de solvabiliteitsratio van de Groep onder Solvency II (SF)). Daarnaast verwacht de Vennootschap dat de netto-opbrengsten van de Aanbieding haar minder afhankelijk zullen maken van haar handelspapierprogramma en haar in staat

zullen stellen langlopende schulden af te betalen, daarbij mogelijk inbegrepen achtergestelde schulden, naargelang zij dit in de toekomst noodzakelijk acht. De Vennootschap wil een kasbuffer realiseren van 150% van haar geraamde jaarlijkse financieringskosten en operationele kosten en haar beoogde dividenduitkering en herkapitalisatiereserve van de en het LAC DT-herstelplan.

Redenen voor de Aanbieding

De Groep haalt momenteel niet haar beoogde solvabiliteitsratio onder Solvency II (SF) van 140 tot 180% (per 31 december 2015 was haar solvabiliteitsratio onder Solvency II (SF)) 131%[12]). Ondanks het feit dat er al managementacties zijn voltooid en er verdere managementacties gepland staan, en ondanks het feit dat er inzake de wet- en regelgeving inmiddels meer duidelijkheid is vergeleken met de situatie op 30 november 2015, heeft de Groep geconcludeerd dat het noodzakelijk is om de kapitaalpositie van de Vennootschap verder te versterken. Hoewel de Groep vertrouwen heeft in de kapitaalgenererende capaciteit van haar onderliggende bedrijfsactiviteiten, moet de kapitaalpositie van de Vennootschap degelijker worden onderbouwd om de Groep in staat te stellen succesvol te opereren binnen het nieuwe regelgevende kader van Solvency II en met een toereikend niveau van leverage, kapitaal en liquiditeit van de Vennootschap activiteiten te ontplooien. Naar het oordeel van de Groep is het aantrekken van extra aandelenkapitaal via de Aanbieding, in aanvulling op de lopende managementacties, noodzakelijk om dit te bereiken. De ontvangst van de bruto-opbrengst van de Aanbieding zal naar verwachting de solvabiliteitsratio van de Groep onder Solvency II (SF) met circa 25 procentpunt doen stijgen. Wordt de Aanbieding pro forma voltooid verondersteld, dan zou de solvabiliteitsratio onder Solvency II (SF) per 31 december 2015 naar schatting van de Vennootschap 156% zijn geweest, uitgaande van de verwachte bruto-opbrengst van de Aanbieding .

De Raad van Bestuur en de Raad van Commissarissen hebben andere opties overwogen en bestudeerd om het kapitaal van de Vennootschap te versterken, zoals geleidelijk kapitaalaanwas realiseren of een omvangrijke structurele anti-risico strategie implementeren of een combinatie van deze opties. Maar het management is van mening dat het nastreven van deze opties de Groep kwetsbaar zou maken en de positie van haar stakeholders, met inbegrip van de aandeelhouders, in gevaar zou brengen. Rekening houdende met het benodigde kapitaal van de Vennootschap onder Solvency II is de Groep van mening dat het genereren van extra aandelenkapitaal door middel van de Aanbieding een essentiële en noodzakelijke stap is in de herpositionering van de Groep, opdat zij ten behoeve van haar aandeelhouders haar strategie onder het nieuwe Solvency II regime ten uitvoer kan brengen.

[12] Het LAC DT vermogen zoals per 31 december 2015 tot uitdrukking gebracht in de solvabiliteitsratio van de Groep onder Solvency II (SF) is gebaseerd op bepaalde uitgangspunten, met inbegrip van de voltooiing van de Aanbieding en de blijvende beschikbaarheid van bepaalde kredietfaciliteiten, met betrekking tot het vermogen van de Vennootschap om zo nodig andere onderdelen van de Groep te herkapitaliseren. De solvabiliteitsratio van de Groep onder Solvency II (SF) per 31 december 2015 is geen indicatie van de kapitaalvereisten van, of het aangehouden kapitaal door, Delta Lloyd Netherlands of Van Lanschot, aangezien zij zijn uitgesloten van de berekening van de solvabiliteitsratio onder Solvency II (SF) op basis van het regelgevingsrichtsnoer van DNB dat luidt dat OFS aan de hand van de aftrekmethode moeten worden geconsolideerd. Kredietinstellingen kunnen daarom niet onder OFS worden gerangschikt. In de solvabiliteitsratio onder Solvency II (SF) is tevens een impact van 7 procentpunt te zien dankzij de afwikkeling van het aandelenrisico van de Groep in het kader van de overgangsregelingen onder Solvency II. Hiervan zal naar verwachting 2 procentpunt teniet worden gedaan in het eerste kwartaal van 2016. Op basis van de huidige aanpak zal de resterende 5 procentpunt gedurende zeven jaar teniet worden gedaan. Onder de overgangsmaatregelen voor eigen vermogen mag de Groep een lager stressniveau van 22% toepassen voor aandelen die voor 1 januari 2016 zijn verworven. Dit tijdelijke stressniveau van 22% zal geleidelijk, over een periode van zeven jaar, naar het reguliere stressniveau worden opgetrokken.

		Op basis van haar voltooide managementacties, en uitgaande van voltooiing van de Aanbieding, verwacht de Groep een solvabiliteitspositie te bereiken binnen de beoogde bandbreedte van 140 tot 180%, die haar in staat stelt strenge stressscenario's te doorstaan en de overige wezenlijke Solvency II onzekerheden het hoofd te bieden, zodat ze een sterke heeft voor het uitvoeren van haar strategie en het realiseren van een klantgerichte, winstgevende en kapitaalgenererende nieuwe bedrijfsvoering. De Groep beoogd dat het in de bovenste helft van de bandbreedte zal zitten voor het einde van 2016. De Groep acht de Aanbieding ook noodzakelijk ter bescherming van haar kredietwaardigheidsscore die haar bedrijfsmodel ondersteunt.
E.3	Voorwaarden van de aanbieding.	**Uitgifteprijs:** EUR 2,85 per Aangeboden Aandeel **Voorkeursrechten** De wettelijke voorkeursrechten van Aandeelhouders met betrekking tot de Aanbieding zijn uitgesloten. **Registratiedatum** De Registratiedatum voor de bepaling van de Aandeelhouders die Rechten zullen ontvangen, is onmiddellijk na sluiting van de handel in Gewone Aandelen aan Euronext in Amsterdam en Euronext in Brussel om 17:40 uur MET op 23 maart (de "Registratiedatum"). Tot de sluiting van de handel in de Gewone Aandelen aan Euronext in Amsterdam en Euronext in Brussel op de Registratiedatum worden de Gewone Aandelen verhandeld met de Rechten ("cum-Rechten"). Vanaf 09:00 uur MET op 23 maart worden de Gewone Aandelen verhandeld zonder de Rechten ("ex-Rechten"). **Rechten** Aan bestaande Aandeelhouders (uitgezonderd de Vennootschap wat betreft de Gewone Aandelen die door haar worden gehouden) worden op de Registratiedatum Rechten op naam toegekend voor inschrijving op de Gewone Aandelen tegen de Uitgifteprijs. Onder de voorwaarden die zijn beschreven in het Prospectus mogen Bevoegde Personen, met inachtneming van toepasselijke effectenwetgeving, inschrijven op Gewone Aandelen middels uitoefening van de Rechten gedurende de Uitoefeningsperiode. Ieder Gewoon Aandeel dat onmiddellijk na de sluiting van de handel in Gewone Aandelen aan Euronext in Amsterdam en Euronext in Brussel om 17:40 uur MET op de Registratiedatum wordt gehouden, geeft de houder recht op één Recht. Bevoegde Personen zijn gerechtigd in te schrijven op één Aangeboden Aandeer voor één aangehouden Recht tot het eind van de Uitoefeningsperiode. Er worden geen fracties van Aangeboden Aandelen uitgegeven. **Uitoefeningsperiode:** De uitoefeningsperiode voor de Rechten is van 09:00 uur MET op 24 maart 2016 tot 14:00 uur MET op 7 april 2016 (de "Uitoefeningsperiode"). Het tijdstip waarop de rechtsgeldige kennisgeving van uitoefeningsinstructies mag worden gedaan, kan eerder zijn. Dit is afhankelijk van de financiële intermediair via welke de Rechten worden aangehouden. Aandeelhouders dienen contact op te nemen met hun financiële intermediairs om te bepalen wanneer zij hun Rechten moeten uitoefenen.

		Rechten die door een Bevoegde Persoon aan het eind van de Uitoefeningsperiode niet zijn uitgeoefend, kunnen niet langer worden uitgeoefend. Zodra een Bevoegde Persoon zijn Rechten rechtsgeldig heeft uitgeoefend, kan die uitoefening niet meer worden herroepen of aangepast, behalve ingeval de Vennootschap een wezenlijke voorwaarde van de Aanbieding wijzigt of het Prospectus op zodanige manier wezenlijk aanpast dat er een document ter aanvulling van het Prospectus in de zin van Artikel 5:23 van de Wft moet worden gepubliceerd. In een dergelijk geval heeft de houder het recht om de uitoefening te herroepen of aan te passen, en dit recht moet binnen twee werkdagen na publicatie van de aanvulling worden uitgeoefend. **Rump Aanbieding** De Joint Bookrunners zijn overeengekomen om, namens de Underwriters (zoals hieronder gedefinieerd) en met inachtneming van de voorwaarden en bepalingen van de Underwriting Overeenkomst d.d. 23 maart 2016 tussen de Vennootschap en de Underwriters (de "Underwriting Overeenkomst"), redelijkerwijs alles in het werk te stellen om inschrijvers aan te trekken voor Aangeboden Aandelen die voor uitgifte beschikbaar waren bij de uitoefening van de Rechten maar waarop tijdens de Uitoefeningsperiode van de Rechten niet is ingeschreven (de "Rump Aandelen") via onderhandse plaatsingen bij institutionele beleggers in Nederland en bepaalde andere daarvoor in aanmerking komende jurisdicties, met inbegrip van de Verenigde Staten waar de aandelen in kwestie mogen worden aangeboden aan gekwalificeerde institutionele kopers (Qualified Institutional Buyers of QIB's) ingevolge Regel 144A van de Amerikaanse Effectenwet (Securities Act) of een andere vrijstelling van, dan wel in een transactie die niet is onderworpen aan, de registratievereisten van de Amerikaanse Effectenwet. De prijs per Rump Aandeel moet ten minste gelijk zijn aan de Uitgifteprijs, plus de kosten in verband met het aantrekken van dergelijke inschrijvers (inclusief btw). De Underwriters zullen hoofdelijk en niet gezamenlijk, pro rata hun respectieve underwriting-verplichting, tegen de Uitgifteprijs inschrijven op en betalen voor (i) Aangeboden Aandelen waarop is ingeschreven in het Aanbod van Rechten maar waarvoor niet is betaald door de inschrijvers in kwestie op de Afwikkelingsdatum en (ii) eventuele Rump Aandelen die niet zijn verkocht in de Rump Aanbieding, of die zijn verkocht maar waarvoor niet is betaald op de Afwikkelingsdatum, overeenkomstig de bepalingen en onder voorbehoud van de voorwaarden zoals uiteengezet de Underwriting Overeenkomst. De eventuele Rump Aanbieding zal naar verwachting aanvangen zodra dit redelijkerwijs mogelijk is na het verstrijken van de Uitoefeningsperiode en in ieder geval uiterlijk om 17:30 uur MET op de handelsdag waarop de Uitoefeningsperiode verstrijkt. **Betaling van niet-uitgeoefende Rechten** Indien na voltooiing van de eventuele Rump Aanbieding de totale opbrengst van de aangeboden en verkochte Rump Aandelen, na aftrek van de verkoopkosten en toepasselijke belastingen, hoger is dan de totale Uitgifteprijs van deze Rump Aandelen, dan wordt zulk een bedrag aangeduid als de "Meeropbrengst". Iedere houder van een Recht dat niet werd uitgeoefend voor het einde van de Uitoefeningsperiode is gerechtigd om van de Underwriters een betaling uit hoofde van zijn niet-uitgeoefende Rechten (de "Betaling van Niet-uitgeoefende Rechten") te ontvangen, behalve zoals

		hieronder aangegeven. Indien de Meeropbrengst gedeeld door het totale aantal Niet-uitgeoefende Rechten minder is dan EUR 0,01, zal er geen Betaling van Niet-uitgeoefende Rechten plaatsvinden aan de houders en zal een dergelijke Meeropbrengst ten eigen bate toevallen aan de Underwriters. De Vennootschap zal in Nederland in een persbericht dat ook op de website van de Vennootschap zal worden geplaatst, bekendmaken of er Betalingen van Niet-uitgeoefende Rechten zullen worden verricht aan houders van niet-uitgeoefende Rechten. De eventuele Betaling van Niet-uitgeoefende Rechten aan de houders van niet-uitgeoefende Rechten zal zodra dit praktisch mogelijk is na de Afwikkelingsdatum worden gerealiseerd, en zal plaatsvinden middels overboeking naar de houders in kwestie via de faciliteiten van Euroclear Nederland ("Euroclear Nederland"). Betalingen van Niet-uitgeoefende Rechten vinden uitsluitend plaats in euro's, zonder rente en na inhouding van toepasselijke belastingen. De Vennootschap, de Underwriters en de instelling die optreedt als Inschrijvings- en Noteringsagent en Betaalkantoor (zoals hieronder beschreven) kunnen niet garanderen dat de eventuele Rump Aanbieding succesvol zal worden voltooid. Ingeval er een Rump Aanbieding plaatsvindt, is noch de Vennootschap, noch de Underwriters, noch de instelling die optreedt als Inschrijvings- en Noteringsagent en Betaalkantoor, noch enige andere persoon die kopers voor de Rump Aandelen aantrekt aansprakelijk ingeval de plaatsing van Rump Aandelen in de Rump Aanbieding niet resulteert in een Meeropbrengst. De houders van niet-uitgeoefende Rechten hebben inzake de Betaling van Niet-uitgeoefende Rechten geen mogelijkheid van verhaal jegens de Vennootschap, de Underwriters, de instelling die optreedt als Inschrijvings- en Noteringsagent en Betaalkantoor of enige andere partij. Ingeval de Rump Aanbieding niet succesvol is aangevangen op of rond 7 april 2016 of aanvangt maar niet wordt voltooid, vindt er in dezen geen betaling aan houders van niet-uitgeoefende Rechten plaats. De Vennootschap heeft geen recht op ontvangst van enig deel van de Meeropbrengst. **Betaling en levering** Een houder van rechten die zijn of haar Rechten uitoefent moet voor de Aangeboden Aandelen waarop hij of zij heeft ingeschreven de Uitgifteprijs betalen in overeenstemming met de instructies die hij of zij ontvangt van de financiële intermediair via welke de houder de Rechten aanhoudt. De financiële intermediair betaalt de Uitgifteprijs aan de instelling die optreedt als Inschrijvings- en Noteringsagent en Betaalkantoor, die op haar beurt, na aftrek van toepasselijke vergoedingen en kosten, het bedrag op een rekening op naam van de Vennootschap overboekt. Betaling van de Aangeboden Aandelen moet uiterlijk om 10:00 uur (MET) op de Afwikkelingsdatum, die naar verwachting 11 april 2016 zal zijn, worden verricht aan de instelling die optreedt als Inschrijvings- en Noteringsagent en Betaalkantoor. Dienovereenkomstig mogen financiële intermediairs verlangen dat houders van rechten die dergelijke Rechten uitoefenen, betalen vóór de Afwikkelingsdatum. Betaling en levering van de Aangeboden Aandelen zal naar verwachting op 11 april 2016 plaatsvinden. Levering van de aangeboden Aandelen zal plaatsvinden via het systeem van Euroclear Nederland.

		Underwriters: Goldman Sachs International, Merrill Lynch International, Barclays Bank PLC, ABN AMRO Bank N.V. en Coöperatieve Rabobank U.A. (Rabobank). **Inschrijvings- en Noteringsagent en Betaalkantoor:** ABN AMRO Bank N.V. **Voorwaarden van de Aanbieding en rechten tot beëindiging** Ingevolge de Underwriting Overeenkomst zijn de verplichtingen van de Underwriters uit hoofde van deze overeenkomst onderworpen aan de volgende voorwaarden: (i) de volledige en onverminderd van kracht zijnde goedkeuring van het Prospectus door de AFM, (ii) de ontvangst van rechtskundige adviezen over bepaalde juridische kwesties met betrekking tot onder meer de Vennootschap, de Underwriting Overeenkomst, het Prospectus, de Rechten en Aangeboden Aandelen, (iii) de afgifte van de gebruikelijke certificaten door bevoegde personen, (iv) de afwezigheid van enige wezenlijke negatieve verandering, dan wel enige ontwikkeling die waarschijnlijk gepaard zal gaan met enige wezenlijke negatieve verandering, in de financiële situatie of de vooruitzichten, de opbrengsten, de solvabiliteit, de liquiditeitspositie, de financieringspositie, de bedrijfsvoering of de activiteiten van de Vennootschap en haar dochterondernemingen in hun totaliteit of op financiële markten sinds de datum van de Underwriting Overeenkomst, (v) de toelating van de Rechten tot notering en handel aan Euronext in Amsterdam en Euronext in Brussel om uiterlijk 09:00 uur MET op 24 maart 2016 (of op een zodanige later tijdstip of een zodanige latere datum, maar uiterlijk op 7 april 2016, als door de Vennootschap en de Joint Bookrunners in onderling overleg overeen te komen), (vi) de Vennootschap geen supplement heeft gepubliceerd op het Prospectus om zeker te hebben dat het Prospectus belangrijke nieuwe ontwikkelingen bevat, geen onjuiste statements bevat of de Vennootschap nalaat belangrijke feiten op te nemen, (vii) andere gebruikelijke sluitingsvoorwaarden, met name wat betreft de juistheid van door de Vennootschap verstrekte garanties, het verstrekken door de Vennootschap van de vereiste kennisgevingen en het voldoen door de vennootschap aan de voorwaarden van de Underwriting Overeenkomst. Voorts hebben de Joint Bookrunners het recht om namens de Underwriters de Underwriting Overeenkomst te beëindigen in bepaalde omstandigheden waarin zulks gebruikelijk is, met inbegrip van, doch niet beperkt tot, (i) het zich voordoen van een wezenlijke negatieve verandering in de financiële situatie of de vooruitzichten, de opbrengsten, de solvabiliteit, de liquiditeitspositie, de financieringspositie, de bedrijfsvoering of de activiteiten van de Groep, (ii) bepaalde veranderingen in de financiële, politieke of economische omstandigheden en (iii) een statement in het Prospectus of supplement onjuist, inaccuraat of misleidend is. Ingeval er geen afwikkeling plaatsvindt op de Afwikkelingsdatum zoals gepland of ingeval er in het geheel geen afwikkeling plaatsvindt, wordt de Aanbieding ingetrokken, vervallen de verplichtingen van de Underwriters om inschrijvers aan te trekken voor, of zelf zorg te dragen voor inschrijving en betaling van, Rump Aandelen of Aangeboden Aandelen (naargelang het geval is) en worden zowel de uitgeoefende als niet-uitgeoefende Rechten geannuleerd zonder compensatie aan hun houders en worden de Aangeboden Aandelen niet aangeboden of toegekend. Betalingen van inschrijvingen die zijn ontvangen door de Vennootschap zullen

		zonder rente worden gerestitueerd. Ingeval de Rechten op dergelijke wijze vervallen, laat dit de geldigheid van reeds plaatsgevonden handel in de Rechten onverlet, maar Rechten die nog niet zijn verhandeld komen te vervallen. Er vindt geen restitutie plaats ten aanzien van Rechten die op de beurs zijn gekocht.
E.4	Belangen die van betekenis zijn voor de Aanbieding (met inbegrip van tegenstrijdige belangen)	Enkele van de Underwriters en/of hun respectieve gelieerde ondernemingen hebben zich in het verleden beziggehouden met en zouden zich in de toekomst van tijd tot tijd kunnen bezighouden met commercial banking, investment banking, het geven van financiële adviezen en het uitvoeren van bijkomende activiteiten in het normale zakelijke verkeer met de Vennootschap en/of partijen die daaraan gelieerd zijn, en in het kader daarvan hebben zij de gebruikelijke vergoedingen en provisies ontvangen en kunnen zij in de toekomst de gebruikelijke vergoedingen en provisies ontvangen. Voorts heeft de Vennootschap een joint venture met ABN AMRO Bank N.V. Als gevolg van deze transacties en relaties hebben voornoemde partijen mogelijk belangen die niet op één lijn liggen met, of tegenstrijdig zouden kunnen zijn met, de belangen van beleggers of met de belangen van de Vennootschap. Op 16 maart 2016 hebben Fubon en de Vennootschap de Heads of Agreement getekend en zijn daarmee overeengekomen dat de lopende discussies met betrekking tot een versterkt partnerschap worden voortgezet en waarin bepaalde regelingen die zijn bedoeld om de basis te vormen voor verdere discussie zijn uitgewerkt. Op grond van de Fubon Heads on Agreement heeft Fubon zich ertoe verbonden om alle Rechten uit te oefenen met betrekking tot de Gewone Aandelen die zij houdt op de toekenningsdatum van de Rechten. Fubon zal dezelfde Uitgifteprijs betalen als andere houders die hun Rechten uitoefenen. Bovendien, op basis van de Fubon Heads of Agreement (waarin erkend wordt dat Fubon een belang van 15% (op volledig verwaterde basis) in de Vennootschap wenst te verwerven) kan Fubon, onder voorbehoud van het verkrijgen van regulatoire goedkeuring, in het kader van de Rump Aanbieding, een belangrijk deel van de Rump Aandelen verwerven. Zie "*B.3 Kerngegevens die verband houden met de aard van de werkzaamheden en belangrijkste activiteiten van de Groep—Samenvatting van de Bedrijfactiviteiten—Recente ontwikkelingen*".
E.5	Persoon of entiteit die aanbiedt de effecten te verkopen en lock-up overeenkomsten	De Vennootschap draagt zorg voor het uitgeven en aanbieden van de Rechten en de Aangeboden Aandelen. De Vennootschap gaat bij dezen jegens ieder van de Underwriters de verbintenis aan dat zij gedurende een periode van 180 dagen gerekend vanaf de Afwikkelingsdatum, zonder de voorafgaande goedkeuring van de Global Coordinator, handelend namens de Underwriters, (1) geen Gewone Aandelen of andere effecten die converteerbaar in of uitoefenbaar of inwisselbaar zijn voor Gewone Aandelen rechtstreeks of indirect zal aanbieden, verpanden, verkopen of aannemen om te verkopen, of een optie zal verkopen of verlenen daarop, een recht zal verlenen daarop, een warrant of overeenkomst tot de aankoop daarvan zal overeenkomen en deze niet zal uitlenen of op andere wijze zal overdragen of afstoten of (2) geen swap of andere overeenkomst of transactie zal aangaan die geheel of ten dele, rechtstreeks of indirect het economisch eigendom van Aandelen of andere aandelen in de Vennootschap overdraagt, ongeacht of een transactie zoals beschreven in (1) of (2) hierboven dient te worden verricht door levering van Gewone Aandelen of andere effecten, in

		contanten of op andere wijze. De voorgaande zin is niet van toepassing op de uitoefening van een optie of warrant of op de conversie van een effect dat uitstaat op de datum van de Underwriting Overeenkomst waarvan de Underwriters schriftelijk in kennis zijn gesteld en op uitgiftes of betalingen krachtens beloningspakketten of stimuleringspakketten van werknemers zoals van toepassing in de Vennootschap.
E.6	Verwatering	Aandeelhouders die hun Rechten welke zijn toegekend ingevolge het Aanbod van Rechten overdragen, of die hun Rechten welke zijn toegekend ingevolge het Aanbod niet uitoefenen dan wel niet mogen uitoefenen, zullen een verwatering van hun proportioneel aandeelhouderschap en stemrechten van circa -49,9% ondervinden als gevolg van de uitgifte van Aangeboden Aandelen.
E.7	Geraamde kosten die door de Vennootschap aan beleggers in rekening worden gebracht.	Niet van toepassing. Er zijn of zullen door de Vennootschap met betrekking tot de Aanbieding geen kosten aan beleggers in rekening worden gebracht.

RISK FACTORS

Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Prospectus before making an investment decision with respect to investing in the Offer Securities. If any of the following risks occurs, the Group's business, results of operations, financial condition and prospects could be materially adversely affected. In that case, the value of the Offer Securities could decline and investors could lose all or part of the value of their investments.

Although the Group believes that the risks and uncertainties described below are the material risks and uncertainties facing the Group's business and the Offer Securities, additional risks and uncertainties not presently known to the Group or that the Group currently deems immaterial may also have a material adverse effect on the Group's business, results of operations or financial condition and could negatively affect the price of the Offer Securities.

Prospective investors should carefully review the entire Prospectus and should form their own views before making an investment decision with respect to the Offer Securities. Before making an investment decision with respect to any Offer Securities, prospective investors should also consult their own financial, legal and tax advisers to carefully review the risks associated with an investment in the Offer Securities and consider such an investment decision in light of the prospective investor's personal circumstances. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.

Financial Risks

1. Changes in the financial markets and general economic conditions could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's results of operations and financial condition are affected by changes in financial markets and general economic conditions, which are outside the control of the Group. These conditions can cause the Group's results of operations and financial condition to fluctuate in unpredictable ways from year to year, as well as on a long-term basis. These conditions include employment levels, consumer lending and spending, corporate spending, changes in monetary policies, changes in availability of debt financing, inflation, as well as fluctuations in interest rates, fluctuations in prices of equity, other securities or property in the countries in which it operates. The Group will also be affected by catastrophic events, terrorism and other acts of war and the governmental and political developments relating to the foregoing, as well as social or political instability, diplomatic relations, international conflicts and the impact these developments may have on financial markets. These conditions also include economic cycles such as insurance industry cycles, particularly with respect to general insurance, which are characterised by periods of price competition, fluctuations in underwriting results and the occurrence of unpredictable weather-related and other losses, as well as banking industry cycles and financial market cycles, including volatile movements in market prices for securities. Significant downturns in equity markets, downward appraisals of property values and/or significant movements in interest rates and credit spreads could have a material adverse effect on the Group's capital and solvency position and results. Economic downturns could also result in increased incidence of internal and external fraud, including fraudulent claims by customers, theft, corruption, market manipulation and insider trading.

Global financial markets have experienced periods of extreme and unprecedented volatility and disruption over the past several years, which have had, and may continue to have, a material adverse effect on the Group's results of operations and financial condition. Financial markets continued to experience periods of high volatility during 2015 and 2016 to date due to, among other factors, negotiations to reach agreement on a further rescue plan for Greece and events in China, including dramatic falls in stock prices and increased volatility in Chinese equity markets, resulting primarily from a continued sell-off of shares trading in the Chinese markets. The volatility in China, combined with concerns regarding the development of other emerging market economies and other large developing countries, has been followed by volatility in stock markets around the world as well as increased turbulence in commodity markets. In addition, the lingering risk of a sovereign default continues to pose a threat to financial markets, and the risk that the effect of any sovereign default spreads to other European economies, including the Dutch and Belgian economies, remains. If one or more Member States were to exit the European monetary union, this could materially adversely affect the European and global economy, cause a redenomination of financial instruments or other contractual obligations from the euro to a different currency, result in significant volatility in financial markets, and disrupt and adversely affect the economic activity of the Dutch, Belgian and other European markets. Furthermore, tensions among Member States, and Euro-scepticism in certain EU countries, could pose additional difficulties in relation to the EU's ability to react to an economic crisis.

Since 2009, governments and monetary authorities around the world, including in the Netherlands, have taken action to stabilise financial markets and prevent the failure of financial institutions and states, including implementing highly accommodative monetary policies to support demand at a time of pronounced fiscal tightening and balance sheet repair. Although the outlook for the global economy in the near to medium term remains uncertain due to several factors, including geopolitical risks and concerns around global growth and price stability, most European economies started to recover in 2014 and this continued into 2015. Risks to growth and stability stem mainly from continued economic imbalances in Europe and elsewhere, increasing migration of refugees and asylum seekers into the EU, conflicts in Ukraine and the Middle East, and low or lower growth levels in foreign markets, including China. In addition, continued modest gross domestic product ("GDP") growth and low inflation experienced in Europe has raised concerns about economic growth and stability.

During the next few years, a combination of anticipated recovery in private sector demand and the easing of fiscal austerity in Europe and the United States is expected to result in a return by central banks to more conventional monetary policies. The US Federal Reserve ended its quantitative easing programme ("QE programme") in October 2014, and began raising interest rates in December 2015. Although interest rates are expected to increase further, tighter monetary policy in the United States may result in increased uncertainty and volatility and the pace and timing of such increases may lead to market volatility. While the United States has begun tightening its monetary policy, the European Central Bank ("ECB") began easing its monetary policy in response to concerns about modest GDP growth and low inflation and commenced a EUR 1 trillion QE programme in March 2015 in which it expected to purchase government bonds worth up to EUR 60 billion per month until September 2016. The ECB recently announced further measures to stimulate the Eurozone economy, including further quantitative easing and a reduction in the benchmark deposit rate. The contrast that has arisen between the United States and the Eurozone manifests itself in, among other things, a significant difference in interest rate expectations between US and EU capital markets. Further market volatility may occur as interest rates are increased in certain economies and markets await the outcome of the ECB's QE programme. The possibility of one or more central banks or governments, in particular the US Federal Reserve, the Bank of England and the ECB, starting and/or accelerating the process of tightening monetary policies or extraordinary measures in coming years, could lead to generally weaker than expected growth, or even contracting gross domestic product, reduced business confidence, higher levels of unemployment, adverse changes to levels of inflation, potentially higher interest rates and falling property prices, and consequently to an increase in delinquency rates and default rates among customers.

The Group's business has become more concentrated in the Netherlands as it has recently disposed of its banking business in Belgium and life insurance business in Germany. The Netherlands and Belgium continue to be impacted by the events described above, as are the financial markets which the Group's business is reliant on for making investments that support its insurance businesses. As a result, the Group's results of operations and financial condition have been adversely impacted by weak economic conditions, higher levels of unemployment and weak property markets in the Netherlands and elsewhere over the past several years. Continuing weak economic conditions or a future downturn as well as continuing volatility in financial markets could have a material adverse effect on the Group's business, results of operations and financial condition. In addition to the other risks described in this section, these conditions have resulted, and may continue to result, in a reduction in demand for the Group's products, as well as a reduction in the value of its assets under management ("AuM"). The Group has experienced, and may continue to experience, fluctuations in claims and policy lapses and withdrawals. Any reduction in demand for the Group's products, decline in the market value of the Group's AuM or an increase in policy lapses or withdrawals, would result in a reduction in the fee and premium income generated by the Group.

2. The Group is exposed to credit risks, and defaults or increased fear of default by the Group's debtors or other entities in which the Group has invested could have a material adverse effect on the value of the Group's assets.

Credit risk refers to the potential losses incurred by the Group as a result of debtors not being able to fulfil their obligations when due, or a perceived increased likelihood thereof. Losses incurred due to credit risk include actual losses from defaults, declines in the market value of the Group's fixed income assets due to credit rating downgrades and/or spread widening, or impairments and write-downs (for instance, if a bank loan is deemed no longer fully recoverable). Both the Group's insurance and banking businesses are exposed to various types of credit risk, including spread risk, default risk and concentration risk. The Group's credit risk is primarily related to government bonds, corporate bonds, residential mortgages and reinsurance assets.

At 31 December 2015, the Group's net credit exposure was approximately EUR 38.4 billion, including debt securities of EUR 28.3 billion, of which 46% was invested in sovereign bonds, 34% in corporate and collateralised bonds and 20% in sub-sovereign bonds. The Group's equity investments, including amongst others ordinary shares, private equity and preference shares, are also exposed to declines in value if the issuer of the equity defaults under its obligations.

Like most insurance companies, the Group has a significant fixed income portfolio in which it seeks to match assets against both its life and general insurance liabilities. The fixed income portfolio (excluding loans and receivables) is measured at fair market value. The Group is exposed to the risk that the market value of these assets decreases. A number of factors can cause an individual asset or a whole class of assets to decrease in market value, including a perception or fear in the market that there is an increase in the likelihood of defaults ("spread risk"), or a material decline in the liquidity of these assets making them difficult to value.

The Group is also exposed to default risk, which is the risk that third parties owing money, securities or other assets to the Group do not pay or fulfil their obligations when due. These parties include trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, reinsurers, bond issuers, and financial intermediaries. The Group's banking subsidiary is exposed to the credit risk of borrowers. Third parties may default on their obligations to the Group due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, fraud or other reasons.

The mortgage loans on the Group's balance sheet that are valued at fair market value are also exposed to spread risk and default risk. Almost all of the Group's mortgages are for residential properties. If a borrower defaults on his mortgage loan, the value of the loan on the Group's balance sheet will be impaired or written down. An increase in defaults or the likelihood of defaults under the Group's mortgage loans could have a material adverse effect on the Group's results of operations and financial condition.

The Group is also exposed to concentration risk, which is the risk of default by counterparties or in investments in which it has taken large positions, or which are highly correlated. A single default of a large exposure could therefore lead to a significant loss for the Group. At 31 December 2015, the Group's largest fixed income exposures were to the Netherlands (EUR 3.1 billion), Germany (EUR 3.1 billion and Austria (EUR 2.2 billion).

3. The Group is exposed to counterparty risk in relation to other financial institutions. Deteriorations in the financial soundness of other financial institutions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Due to the nature of the global financial system, financial institutions, such as the Group, are interdependent as a result of trading, counterparty and other relationships. Other financial institutions with whom the Group conducts business act as counterparties to the Group in such capacities as borrowers under loans, issuers of securities, customers, banks, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform their obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security they provide may prove inadequate to cover their obligations at the time of the default.

Although since the outset of the financial crisis steps have been taken to reduce the risks of counterparty default, particularly through the clearance of most derivative transactions through clearing houses, the interdependence of financial institutions remains. This means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearance and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by counterparties that could have a material adverse effect on the Group. This risk, known as "systemic risk", could adversely impact future product sales as a result of reduced confidence in the insurance and banking industries. It could also adversely affect the Group's results of operations because of market declines and write-downs of assets and claims on third parties. The Group believes that despite the steps taken by regulators around the world with respect to systemic risk, this risk remains part of the financial system in which the Group operates and dislocations caused by the interdependency of financial market participants could have a material adverse effect on its business, results of operations and financial condition.

4. Changes in longevity, mortality and morbidity experience may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's insurance business is exposed to longevity risk (the risk that the insured party lives longer than anticipated), mortality risk (the risk that the insured party dies sooner than anticipated) and morbidity risk (the risk that the insured party falls seriously ill or is disabled).

Annuities (including the Group's single premium group pension business) and other life insurance products are subject to longevity risk. If insured parties live longer than the Group initially projected, it will be required to continue paying out to the annuitants for longer than anticipated (and therefore longer than was reflected in the original pricing of the annuity and in the liability established in respect of the policy). Longevity risk is the main insurance risk of the Group. Advances in medicine and healthcare, better education and higher incomes have led to increased life expectancy in recent years. This is a long-term trend that can potentially lead to payout levels higher than the Group anticipated. New solvency regulations require the Group to hold more capital to cover higher payouts to policyholders with a longer life expectancy. As such, longevity risk brings with it a high amount of required capital under the Solvency II Directive (2009/138/EC) (amended by the Omnibus II Directive) (2014/51/EU) (the "Solvency II Directive").

The Group uses its most recent mortality expectations in establishing its insurance liabilities provisions and trends are actively monitored to anticipate the Group's exposure. The Group makes use of industry mortality tables, adjusted to take into account its own experience. Mortality tables are updated periodically (in the case of the Dutch Society of Actuaries (*Actuarieel Genootschap*) every two years) and any such updates may require that the Group updates its assumptions periodically.

Although the Group believes that its provisions are generally adequate, due to the uncertainties associated with such provisions (in particular the risk of life expectancy increasing at a faster rate than expected), there can be no assurance that its provisions will ultimately prove to be adequate. For instance, the Group expects that it may need to increase its provisions to take account of longevity risk in future years. As of 31 December 2015, the Group had a total reserve of EUR 24.4 billion related to products with longevity risk. In August 2014 and June 2015, the Group entered into two longevity derivative contracts with Reinsurance Group of America ("RGA") to hedge a portion of its exposure to longevity risk included in its life insurance portfolios (the "Longevity Derivatives"). The first Longevity Derivative has a six-year term and relates to underlying reserves of EUR 12.6 billion. The second longevity hedge transaction (which took retroactive effect as of 1 January 2015) has an eight-year term and relates to underlying reserves of EUR 11.0 billion. Both transactions are structured as out-of-the-money derivatives whereby no payment from RGA will be received if current expectations, with respect to changes in mortality, are realised during the term of the contract. In other words, the Longevity Derivatives protect against mortality improvements that are observed during the contract period which exceed current expectations. There is a minimum reduction of mortality that must occur in order for the Group to receive payment (referred to as the attachment point). There is also a limit beyond which no additional payment will be made by RGA (referred to as the detachment point). As a result, the maximum payoff at contract maturity is EUR 450 million for the first transaction and EUR 350 million for the second transaction. At contract maturity, the value of the underlying portfolio is recalculated based on the actual mortality rate (based on an index) during the contract term and its impact on the future mortality rate (via a commutation mechanism). In case the value of the liability is above the attachment point, a payment from RGA is due. While these Longevity Derivatives cover the life insurance liabilities for the annuity and collective DB portfolios of Delta Lloyd Levensverzekering N.V. ("DLL"), this is only part of the Group's total longevity risk exposure, meaning that the Group's longevity risk is not entirely covered. With these contracts, approximately half of the current SF longevity risk capital is covered by the Longevity Derivatives and the Group maintains longevity buffers for longevity losses below the retention level of these contracts. See also "*Business—Material Contracts—Longevity Derivatives*". The Group intends to use all possible efforts, in cooperation with RGA or another reinsurer, to adjust the terms and conditions of the Longevity Derivatives by 31 December 2016 and subsequently to roll-over the existing Longevity Derivatives at contract maturity in order to manage its longevity risk on a continuous basis. However, there can be no assurance that the Group will be able to do so on reasonable terms or at all.

Although such hedges mitigate a portion of the risk associated with longevity, they do not protect against all risks. In particular, the Group is exposed to the risk of changes in future mortality rates that will arise following the period covered by the derivatives. Furthermore, it is exposed to the risk of an increase in life expectancy up to the attachment point and beyond the detachment point contained in the Longevity Derivatives. Notwithstanding these hedging arrangements, the Group has set aside additional life insurance reserves due to longevity in the aggregate amount of EUR 815.8 million since 1 January 2012, including EUR 97.3 million for the year ended

31 December 2015. Should these provisions be insufficient, the Group's business could suffer significant losses that could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's life insurance business is also exposed to mortality risk, especially in term life insurance and pension policies where the surviving partner is the beneficiary. The mortality risk associated with the Group's life business is partly reinsured in an effort to control this risk. At the start of 2016, approximately 5% of the Group's SF mortality risk and approximately 60% of the Group's SF mortality catastrophe risk was reinsured.

The Group is also exposed to morbidity risk in relation to its general insurance business, particularly its income protection and disability products. In particular, it is exposed to the risk that more policyholders than it anticipated will suffer from long-term health impairments and are consequently (partially or fully) incapable of work, as well as the risk that those who are eligible to make a claim do so for longer than anticipated (and therefore longer than was reflected in the price of the policies and in the liability established for the policies).

Discrepancies between assumed mortality and morbidity and actual mortality and morbidity experience may have a material adverse effect on the Group's results of operations and financial condition.

5. The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied.

The Group has had extensive discussions with the Dutch Central Bank ("DNB") regarding the impact of the Longevity Derivatives on the Group's Solvency II ratio (SF) following a challenge by DNB of the Group's proposed treatment of the impact of the Longevity Derivatives prior to the publication of its 2015 results. DNB confirmed that, subject to the conditions below, the Group may reflect a SCR reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) and a risk margin reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) in the Group's Solvency II ratio (SF) during 2016, so long as the Group satisfies the conditions outlined below, which the Group intends to seek to do. These effects are reflected in DLL's Solvency II ratio (SF) and the Group's Solvency II ratio (SF) as at 31 December 2015 (the solvency position of DLL has a significant effect on the solvency position of the Group).

Firstly, the Group has committed to DNB that it will exclude the risk-margin reduction based on the assumed ability of the Group to continuously renew the contracts for the full duration of the portfolio (the "roll-forward effect") from the calculation of DLL's Solvency II ratio (SF). The roll-forward effect comprises the expected benefits of future Longevity Derivatives. Excluding the roll-forward effect had a -14% points impact on the Group's Solvency II ratio (SF) as at 31 December 2015. It has further been discussed that prior to 31 July 2016, the Group must extend the duration of both Longevity Derivatives to beyond eight years, subject to agreeable terms with RGA, to be able to take into consideration the current roll-forward effect under the SF, although the Group must still continue to exclude any further roll-forward effect under the adjusted contracts as discussed with DNB.

Secondly, the Group has committed to DNB to use all possible efforts, in cooperation with RGA or another reinsurer, to adjust the terms and conditions of the Longevity Derivatives by 31 December 2016 to better align them with the principles of a re-insurance contract (for example, by adjusting the concept of index protection currently included to indemnity protection) under the Solvency II rules and regulations. This will allow the Group to continue to use the Longevity Derivatives to reduce the risk margin for the SF, as well as for a partial internal model. The Group's auditor and actuary will be asked to confirm the re-insurance classification under the Solvency II rules and regulations before 31 December 2016.

Thirdly, the Group has committed to DNB to implement a Solvency II compliant partial internal model by 1 January 2018. Any partial internal model will model at least the following five modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk. The SF single risk capital for longevity will in all cases be at least equal to or higher than the partial internal model single risk capital for longevity after allowing for the effect of the Longevity Derivatives. However, the timetable for the development and implementation of the partial internal model is dependent on the Group's regulators and therefore it is not entirely within its control, exposing it to the risk of delay. There can be no assurance that the Group will be successful in implementing a satisfactory partial internal model or that DNB will approve the Group's partial internal model before 1 January 2018. See "*—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

The Group could be subject to higher costs as a consequence of the renegotiation of the Longevity Derivatives or be unable to extend the duration or adjust the terms and conditions of the Longevity Derivatives on reasonable terms or at all. In addition, if the Group is not able to comply with the conditions outlined above within the timeframes discussed with DNB, it would need to exclude at least part of the effect of the Longevity Derivatives when determining DLL's (and accordingly the Group's) SCR and risk margin, and accordingly the Solvency II ratio (SF), which would in turn have a negative impact on the Group's Solvency II ratio (SF) resulting in a material adverse effect on the Group's business, solvency, results of operations and financial condition. Maintaining the risk margin benefit during the contract term is subject to a restructuring of the hedge to ensure reinsurance treatment. If the Group is unable to so restructure the Longevity Derivatives, there would be an adverse impact of 7%-points (current estimate) on the Group's Solvency II ratio (SF). If at any time it becomes clear that the Longevity Derivatives will not or cannot be changed to assure a classification as reinsurance under Solvency II, the risk margin reduction will immediately cease, thereby reducing the Group's Solvency II ratio (SF). Any such reduction could have a material adverse effect on the Group's business, solvency, results of operation and financial condition.

6. Sustained low interest rate levels have had, and could continue to have, a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The sustained low interest rate environment in recent years has impacted the Group in various ways, including the following, and will continue to do so if it persists.

- Decreases in the long-term interest rate primarily adversely affect the values of the Group's liabilities under traditional life insurance policies, as liabilities are discounted using market interest rates. This negative effect is partly offset by the simultaneous increase in the market value of fixed income assets. The net effect on the Group's asset values depends on the duration and volume matching of assets and liabilities as well as the derivatives that the Group may enter into to hedge any mismatches in the movements between assets and liabilities. As with falling equity values, a decrease in the interest rate also requires an addition to provisions for guarantees in life insurance policies, as the guarantees become more valuable to the policyholders. To the extent that the Group is unable to match these liabilities with assets that have the same or similar levels of interest rate sensitivity, there could be a gap between the movement of the Group's assets and liabilities as interest rates change. Any such mismatches could have a material adverse effect on the Group's financial condition.
- In a period of sustained low interest rates, financial and insurance products with long-term options and guarantees may be more costly to the Group and/or less attractive to the Group's customers. For example, in recent years the continuing low interest rate environment has gradually eroded margins on defined benefit products. At 31 December 2015, 30.5% of the Group's group pensions products were defined benefit and 69.5% were defined contribution (compared to 38.9% and 61.1% at 31 December 2014, and 64.8% and 35.2% at 31 December 2013), based on the Group's new annualised premium income ("NAPI"). The Group may incur higher costs to hedge the investment risk associated with long-term options and guarantees of long-term products. Furthermore, financial market conditions characterised by decreasing or persistently low interest rates may cause a decline in the benefits the Group is commercially able to offer under its insurance products. In addition, sustained low interest rate levels could adversely affect the coverage ratios of pension funds, which in turn could prevent pension funds from transferring their pension obligations to the Group as they are required by regulations to comply with minimum coverage ratios. These effects limit the ability of the Group to offer certain of its products at affordable prices, have reduced, and may continue to reduce, demand for the Group's products and services and, in turn, have adversely affected, and could continue to adversely affect, the Group's profitability. Moreover, the economic capital the Group holds in respect of long-term risks, such as longevity, expense (that the Group's expenses are higher than its best estimate assumption for expenses) and morbidity risks, is higher in a low interest rate environment and the pressure on margins puts pressure on the Group's solvency ratios. Also, the present value impact of changes in assumptions affecting future benefits and expenses is larger, creating more volatility in the Group's results of operations and available regulatory capital.
- Lower interest rates have adversely affected, and could continue to adversely affect, the Group's income derived from fixed income investments. Mortgages and redeemable bonds in the Group's investment portfolio are more likely to be repaid as borrowers seek to refinance at lower interest rates and the Group may be required to reinvest the proceeds in securities with lower yields. The pricing methodology for mortgages assumes a long-term average spread for reinvestments and, consequently, potential returns could turn out to be overestimated. The risk has been, and remains, heightened in the

current market and economic environment as securities with higher yields may be unavailable. Accordingly, net income may decline as a result of a decrease in the spread between returns on the investment portfolio and the interest rates either credited to policyholders or assumed in provisions.

- For Delta Lloyd Bank Netherlands, the low interest rates have a material impact on the interest spread between assets and liabilities. Given the relatively long term duration of the existing banking annuity portfolio, the lower interest rates on mortgages can only partly be offset by lower funding rates. Moreover, given the low interest rates, political pressure has increased to allow for the averaging of interest rates (*rentemiddeling*) and automatic lowering of the loan-to-market-value ratio. These product amendments may potentially have a significant impact on Delta Lloyd Banks Netherlands' profitability. These effects depend on customer behaviour and are therefore difficult to predict.

Sustained low interest rate levels have had, and could continue to have, a material adverse effect on the Group's business, results of operations, financial condition, its solvency ratios and prospects.

7. Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Interest rate risk generally arises from movements in interest rates, either upwards or downwards, and a mismatch in the duration of assets and liabilities. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group. The value of the Group's liabilities in respect of certain products, notably annuities, varies as interest rates fluctuate. While the value of fixed income assets and derivatives is also affected by fluctuations in interest rates, the impact of such fluctuations on assets and liabilities may be different due to factors such as differences in volume and duration. Furthermore, interest rates of different maturities can also fluctuate relative to each other. This results in a steepening or flattening of the yield curve. Hence, the value of fixed income assets may develop differently from the value of insurance liabilities. Any mismatch between the valuations of the fixed income assets and liabilities could, depending on applicable accounting, reporting and regulatory frameworks, have a material adverse effect on the Group's available regulatory capital, results of operations and financial condition.

Interest rate risk is managed by matching the interest sensitivity and cash flows of assets and liabilities. The Group uses derivative instruments such as interest rate swaps and swaptions to mitigate its exposure to interest rate volatility. Any mismatch between the interest rate used for discounting the liabilities and the hedged interest rate could render the hedge unsuccessful and expose the Group to losses and volatility.

Under the IFRS framework, the Collateralised AAA curve is used to determine the fair value of the majority of the life insurance provisions. The Collateralised AAA curve is defined as the higher of the DNB swap curve and the minimum cost replicating portfolio represented by the Collateralised AAA curve. The Collateralised AAA curve is constructed using the ultimate forward rate, with the one-year forward rates for durations of 20 years upwards converging to an ultimate forward rate of 4.2% over a period of 40 years ("UFR").

The Dutch life insurance entities of the Group also use the Collateralised AAA curve as a basis for reporting under the Dutch Financial Supervision Act. The adequacy of the insurance liabilities is assessed on the basis of the DNB swap curve with UFR and deficits added to insurance liabilities. The Group decided to switch from the ECB AAA curve to the DNB swap curve at the end of 2014 for DLL because the Group considers that the interbank market has recovered and that the DNB swap curve is a better representation of the risk-free rate. In addition, the DNB swap curve is more in line with the Solvency II curve. DNB approved this change.

The Collateralised AAA curve consisted of 429 bonds at 31 December 2015 compared with 381 bonds at 31 December 2014 and 338 bonds at 31 December 2013. The 10-year point of the Collateralised AAA curve at 31 December 2015 was 1.09%. The Collateralised AAA curve currently exceeds the DNB swap curve for most interest rate durations. An UFR of 4.2% is accepted market wide by insurers for solvency purposes, is in line with the findings of the European Insurance and Occupational Pensions Authority ("EIOPA") and close to the forward rate as calculated by the methodology of the commission UFR. The Group therefore still considers an UFR of 4.2% suitable for estimating market interest rates and for the valuation of its assets and insurance liabilities.

The EU has adopted a full scale revision of the solvency framework and prudential regime applicable to insurance, reinsurance companies and insurance groups known as Solvency II. The Solvency II interest rate sensitivity is different from that under IFRS because all assets and liabilities are interest rate risk sensitive under Solvency II as they are valued at market value, which is not the case under IFRS. Moreover, Solvency II prescribes the use of a Solvency II curve, whereas for IFRS the Group uses the greater of the DNB swap curve and the minimum cost replicating portfolio represented by the Collateralised AAA curve. The Solvency II curve is published by EIOPA and based on the euro swap curve plus a volatility adjustment minus a deduction for credit risk, and converges towards the UFR. The UFR was introduced in line with the methodology adopted by DNB for the Dutch Financial Supervision Act adequacy test and Solvency II in 2013. This adaptation was made to avoid too much dependence on the low number of long-maturity bonds available in the market which could be used as benchmarks for such interest rate spreads.

The Dutch regulatory capital framework (Solvency I (as defined below)) that applied prior to the effectiveness of Solvency II included the UFR. As a result, the interest rate sensitivity of the liabilities on a regulatory basis was impacted differently compared to that of the Group's assets. As a consequence, when interest rates or credit spreads changed, the impact on the assets was different compared to that of the liabilities, causing volatility in the available capital.

Solvency II prescribes the use of the UFR and the level of the UFR is determined by EIOPA. EIOPA has announced that it will be reviewing the methodology underlying the UFR but the UFR will remain at 4.2% at least until the end of 2016. If EIOPA were to change the level of the UFR, and if the rate the Group would be required to use for the periods between year 21 and year 60 for establishing the interest rate curve and measuring liabilities for the periods is lower than the current UFR of 4.2%, the effect of applying such a rate could increase the value of the Group's insurance liabilities, which, in turn, could have a material adverse effect on the Group's financial condition, solvency and its solvency ratios, which, in turn, could impact its ability to pay dividends. For example, if the UFR were to decrease by 100 basis points to 3.2%, the Group estimates, based on certain important assumptions, that its Solvency II Ratio (SF) as at 31 December 2015 would have been 33% points lower at 98%, though it is important to note that this sensitivity is non-linear. For further information on the sensitivities of the Group's Solvency II ratios, see "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*".

8. Rising interest rates could reduce the value of fixed-income investments held by the Group, increase policy lapses and surrenders, and increase collateral requirements under the Group's hedging arrangements, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Rising interest rates could lead to a decrease in value of the Group's fixed income portfolio and to an increase in profit sharing on certain products with discretionary participating features, which are rights to receive additional benefits that make up a significant portion of the total contractual benefits. This would in turn lead to an increase in liabilities relating to these products, which would offset declines in traditional life liabilities arising from the interest rate increase. This would impact shareholders' funds to the extent such liabilities are not adequately matched with the asset side of the balance sheet. Furthermore, rising interest rates could require that the Group post collateral in relation to its interest rate hedging arrangements. In periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the market place. This could force the Group to sell investment assets at reduced prices and realise investment losses to make the cash payments due to its policyholders. Such a sale of investment assets may also result in a decrease in the Group's AuM, which could result in reduced fee income as the Group's fee income is typically linked to the value of the AuM. Early withdrawals could also require accelerated amortisation of deferred policy acquisition costs, which, in turn, could further reduce net income.

The occurrence of any of the risks set out above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

9. The Group's exposure to fluctuations in the fixed income, equity and property markets could have a material adverse effect on its returns on invested assets and the value of its investment portfolio or its solvency position.

The Group's investment returns are highly susceptible to fluctuations in the fixed income, equity and property markets.

At 31 December 2015, the Group's own risk investment portfolio amounted to EUR 46.2 billion, of which 68% consisted of fixed income securities, 5% of equity investments and 3% of property, with the remainder being cash holdings, reinsurance receivables and other debtors. The Group bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect the Group's profitability, capital position and sales of equity related products. A decline in any of these markets will lead to a reduction of unrealised gains in some of the assets or result in unrealised losses and could result in impairments. Any decline in the market values of these assets reduces the Group's solvency, which could have a material adverse effect on the Group's financial condition and the Group's ability to attract or conduct new business.

At 31 December 2015, the Group's own risk fixed income portfolio was EUR 28.3 billion, of which 46% was invested in sovereign bonds, 34% in corporate bonds and collateralised bonds and 20% in sub-sovereign bonds (such as covered bonds with a state guarantee).

The value of the Group's own risk fixed income portfolio could be affected by changes in the credit rating of the issuer of the securities as well as by liquidity generally in the bond markets. When the credit rating of the issuer of the debt securities falls, the value of the fixed income security may also decline. The market value of the fixed income portfolio also fluctuates with movements in interest rates. In addition, most of the Group's fixed income securities are classified as financial assets at fair value through profit or loss and, as a result, any decline in the market value of these fixed income securities is reflected as a loss in the period during which it occurred, even if the Group has not sold the securities but kept them in its portfolio.

Equity risk is the risk of loss in assets and liabilities as a result of lower market prices, or changes in the volatility of equity prices. At 31 December 2015, the Group's own risk equity portfolio was EUR 2.2 billion. The Group is exposed to a concentration risk in its equity portfolio. At 31 December 2015, the Group had 11% of its equity portfolio invested in stakes over 5% of the total outstanding share capital in Dutch companies. The Group's largest equity exposure at 31 December 2015 was its stake in Van Lanschot N.V. ("Van Lanschot") (market value of EUR 263 million), which the Group intends to divest.

At 31 December 2015, the Group's property portfolio (excluding property funds), which is held at own risk, was valued at EUR 1.1 billion, divided into residential 88%, offices 4%, retail 0%, property occupied by the Group 5% and other 3%. Of this portfolio, 89% is located in the Netherlands and 11% in Belgium. In November 2015, the Group announced that it had sold its office investment portfolio for EUR 226 million. The portfolio included 16 prime location office buildings in the Netherlands. In December of 2015, the Group announced that it had sold its entire retail investment portfolio for EUR 273 million. With this sale the Group has divested its entire retail property portfolio. The value of the Group's remaining property portfolio is subject to risks related to, amongst others, occupancy levels, rent levels, consumer spending, prices of properties and interest rates. Due to the economic downturn in the Netherlands and in Belgium, the property market has been adversely impacted by low consumer spending on residential property, which, in turn, has and could, in the future, continue to reduce returns on property investments. Occupancy levels could drop if the Group does not properly manage the contractual provisions governing the leases related to the properties. For instance, short-term contracts or provisions entitling customers to terminate contracts early could reduce occupancy. The weak economic recovery or a downturn could also result in a further decline in the market values of residential properties as a result of reluctance in the market to buy property. Any decline in the market values of its property investments could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed not only in respect of its own capital invested in fixed income assets, equities and property, but also in respect of its liabilities to policyholders in respect of the funds of policyholders and other customers invested in fixed income assets, equities and property under life insurance contracts such as unit-linked products and investment contracts.

Many of the Group's life insurance products guarantee a minimum investment return or minimum accumulation at maturity to the policyholder. In the event that the decline in value of the invested assets is greater than the decline in liabilities associated with the guaranteed benefits, the Group must increase its provisions formed for the purpose of funding these future guaranteed benefits, which will have an adverse impact on the Group's results.

In addition, the Group's revenues from unit-linked products (including those without minimum guarantees) and investment contracts depend on fees paid by the customer. Because those fees are generally assessed as a percentage of AuM, they vary directly with the market value of such assets. Therefore a general decline in financial markets, including in particular equity markets, will reduce the Group's revenues under these contracts.

10. Prolonged investment underperformance of the Group's AuM may cause existing customers to withdraw funds and potential customers not to grant investment mandates, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

When buying investment products or selecting an investment manager, customers (including pension funds and independent intermediaries, which include independent financial advisers, authorised agents (*volmacht agenten*, with respect to general insurance), actuarial consulting firms (with respect to group life insurance) and brokers (*beurs*) (together, "Intermediaries")) typically consider, among others, the historic investment performance of the product and the individual who is responsible for managing the particular fund. This is also true in relation to certain investment products sold by the Group's life assurance and pension business such as life pensions. In the event that the Group does not provide satisfactory or appropriate investment returns in the future, underperforms in relation to its competitors or benchmarks, does not sell an investment product which a customer requires or loses its key individual investment managers, existing customers (including pension funds) may decide to reduce or liquidate their investment or, alternatively, transfer their mandates to another investment manager. In addition, potential customers may decide not to grant new investment mandates. Such a prolonged period of investment underperformance could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

11. Illiquidity of certain investment assets could prevent the Group from selling investments at fair prices in a timely manner.

Liquidity risk is inherent in much of the Group's business. Each asset purchased and liability sold has unique liquidity characteristics. Some assets have high liquidity in that they can be converted into cash relatively quickly, while other assets, such as privately placed loans, mortgage loans, property and limited partnership interests, have comparatively low liquidity. Market downturns typically exacerbate low liquidity. They may also reduce the liquidity of those assets which are typically liquid, as occurred following the financial crisis with the markets for asset-backed securities relating to property assets and other collateralised debt and loan obligations.

In addition, due to new regulatory requirements, financial markets continue to experience reduced liquidity in many asset classes. Although liquidity for many asset classes has improved since 2008, there have been periods of illiquidity in the capital markets for certain asset classes such as structured credit. In periods of illiquidity, the Group may be unable to sell or buy assets at market efficient prices and may therefore realise investment losses or incur higher financing costs. In addition, illiquid markets could result in the Group's banking business segment being required to hold higher levels of liquid but low yielding assets as a buffer or having to raise or hold additional funds for operational purposes through financings, thereby adversely affecting revenues and results of operations.

12. Adverse experience compared with the assumptions used in pricing products, establishing provisions and reporting business results could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's results of operations depend to a significant extent on whether its actual experience is consistent with the assumptions and models used at the time policies are underwritten, when setting the prices for products and establishing the provisions for future policy benefits and claims. These assumptions are estimates based on historical data and statistical projections of what the Group believes the settlement and administration of its liabilities will be and are therefore applied to arrive at quantifications of some of the Group's risk exposures.

Although the Group monitors its actual experience against the assumptions it has used and refines its long-term assumptions in accordance with actual experience, it is impossible to determine the precise amounts that are ultimately payable. Statistical methods and models may not accurately quantify the Group's risk exposure if circumstances arise that were not observed in the historical data or if the data otherwise proves to be inaccurate. The actual amounts payable may therefore vary from the estimated amounts, particularly if the payments only occur well into the future.

The actuarial models used by the Group use, among others, statistics, observed historical market data, insurance policy terms and conditions and the Group's own judgement, expertise and experience, and include assumptions as to, among others, the levels and timing of payment of premiums, benefits, claims, expenses, interest rates, credit spreads, investment portfolio performance (including equity market and debt market returns), longevity, mortality, morbidity and product persistency, and customer behaviour (including with respect to surrenders or extensions). The Group's risk models also include assumptions as to regulatory capital and other requirements, which are particularly uncertain in the current regulatory environment, which is undergoing significant, and ongoing, changes. Actuarial and risk models are complex and may not identify all relevant elements, or may not accurately estimate the magnitude of the impact of identified elements. The effectiveness of these models depends on the quality of information used, which may not always be accurate, complete, or up-to-date, or the significance of which may not always be properly evaluated.

Pricing of certain life products (such as pension policies and immediate annuities) is based on assumptions on investment return, and if actual investment performance is worse than the underlying assumptions, the Group's profitability may be negatively affected. In relation to general insurance products, if actual claims experience is less favourable than the underlying assumptions (due to, for instance, unexpected claims, or the frequency and/or size of claims), or if it is necessary to increase provisions in anticipation of a higher number or value of future claims, it may be necessary to increase prices for future insurance policies and to set aside additional capital and provisions for the existing policies. Such adverse developments could have a material adverse effect on the Group's results of operations and financial condition.

Lapse risk is the risk of policy lapses or withdrawals increasing beyond expectations. Lapse risk is another important variable for the Group's business, as the Group is not always able to fully recover the up-front expenses it incurs by selling a product. Lapse risk could have a material adverse effect on the Group's results of operations. Keeping life insurance products attractive for customers, Intermediaries and banks is key to managing this risk.

In addition, certain acquisition costs related to the sale of new policies and the purchase of policies already in force are deferred and recorded as assets on the Group's balance sheet and are amortised into income over time. If the assumptions relating to the future profitability of these policies (such as assumptions relating to future claims, investment income and expenses) are not realised, these costs could be amortised faster or written off entirely if deemed unrecoverable. The accelerated amortisation or write-off could have a material adverse effect on the Group's results of operations.

The impact of changes in assumptions for most of the Group's life insurance business is reflected over the remaining life of the policies through the Group's income statement. However, for the general insurance business regular updates are made to the assumptions, with an immediate change in the present value of reserves and therefore an impact on the Group's income statement. Furthermore updates in assumptions within the life insurance business in the Netherlands would result in an immediate change in the present value of the liabilities used to determine available regulatory capital in the Netherlands and would therefore have an immediate impact on available regulatory capital. Changes in assumptions could therefore have a material adverse effect on the Group's results of operations and financial condition.

13. The Group is exposed to the risks of a downgrade or a potential downgrade in its credit or financial strengths ratings.

In general, credit and financial strength ratings are important factors affecting public confidence in insurers, and are as such important to the Group's ability to sell its products and services to existing and potential customers. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy, and are typically referred to as "claims-paying ability" ratings.

The Company is rated BBB by Standard & Poor's Credit Market Services Europe Limited ("S&P"). This rating was announced on 14 December 2015, when S&P downgraded the Company from BBB+ . It also downgraded the following operating subsidiaries, which are the only operating subsidiaries of the Group with insurer financial strength ratings:

- DLL is rated A-, CreditWatch negative by S&P. This rating was announced on 14 December 2015, when S&P downgraded the subsidiary from A to A- and confirmed that the credit rating was on CreditWatch with negative implications.
- Delta Lloyd Schadeverzekering is rated A-, CreditWatch negative by S&P. This rating was announced on 14 December 2015, when S&P downgraded the subsidiary from A to A- and confirmed that the credit rating was on CreditWatch with negative implications.

The downgrades on 14 December 2015 referred to above, reflected S&P's view that the Group's capital adequacy position had weakened and was lower than previous expectations, earnings volatility could hamper efforts by the Group to build sustainably strong capital buffers, the very low-yield interest rate environment the Group operates in and the high level of guaranteed products in its life insurance business book could further exacerbate the Group's volatility of capital and earnings and a reassessment of Group management and governance. S&P said that it will reassess the CreditWatch placements in light of the Offering.

Rating agencies review the financial performance and condition of insurers and assign ratings stating their current opinion of the financial strength and operating performance of operations, the insurers' abilities to meet their obligations to policyholders and creditworthiness based on various factors. While most of the factors are specific to the rated company, some relate to general economic conditions and other circumstances outside the rated company's control. Furthermore, rating agencies have recently heightened the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their credit reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. The Group may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the Group. The Group cannot predict what additional actions rating agencies may take, or what actions the Group may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences, which could have a material adverse effect on the Group's results of operations and financial condition.

Credit ratings may have an impact on the Group's competitive position. A rating downgrade or a potential downgrade of the Company or any of its rated subsidiaries could, among other things, limit its opportunities to operate in certain business areas and have a material adverse effect on its reputation, particularly, with its Intermediaries as well as with its customers. A downgrade or potential downgrade could also result in higher funding and financing costs in the capital markets and affect the availability of funding in the capital markets. Furthermore, a downgrade or potential downgrade could force the Group to reduce the prices of its products to remain competitive, which, in turn, would result in lower net income. In addition, a downgrade could reduce public confidence in the Group and thereby reduce demand for its products and materially increase the number or amount of policy withdrawals by policyholders. These withdrawals could require the sale of invested assets, including illiquid assets, at a price that may result in investment losses. Cash payments to policyholders could, in turn, reduce the value of assets under management and therefore result in lower fee income. Among other things, early withdrawals could also cause the Group to accelerate amortisation of deferred policy acquisition costs, resulting in a further reduction of its net income.

It is customary for certain corporate insurance and reinsurance contracts to contain a clause stipulating that the contract can be cancelled in the case of a major credit event. For a credit rating, this threshold is set at either a downgrade of one or two notches, or a deterioration below the rating at commencement of the contract. In cases where the Group is the debtor, such as for the general insurance inward reinsurance portfolio which consists of 146 contracts with 92 counterparties, a downgrade could lead to contract cancellations. A one-notch downgrade by S&P to the Group's operating subsidiaries to "BBB+", is likely to result in a loss of premium income from the Group's participation as a syndicate member in the sale of reinsurance of between EUR 10 million and EUR 30 million per year for the Group's general insurance inward reinsurance portfolio per year.

In addition, a downgrade or a potential downgrade may adversely affect the Group's relationships with Intermediaries that distribute its products and services, and they may decide to limit or cease distribution of the Group's products and services. Any disruptions to the distribution of the Group's products could negatively impact new business and sales volumes and adversely affect the Group's competitive position. A downgrade in the Group's credit ratings could also impair, or cause the termination of, the Group's relationships with creditors, reinsurers or trading counterparties, and increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements. Any of the developments described above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

14. Reinsurance may not be available, affordable or adequate to protect the Group against losses, and reinsurers may default on their reinsurance obligations.

As part of its overall risk and capacity management strategy, the Group purchases reinsurance for certain risks underwritten by several of its business segments, in particular general insurance. Market conditions beyond the Group's control determine the availability and cost of reinsurance. The Group may therefore be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could materially adversely affect its ability to write future business and expose it to higher levels of losses. The ceded risks the Group must set aside vary significantly based on individual treaties.

The Group purchases reinsurance under various agreements that cover defined blocks of business on a yearly renewable, per risk excess of loss or catastrophe excess of loss basis. These reinsurance agreements are designed to spread the risk and minimise the effect of losses. The amount of the retained risk depends on an evaluation of the specific risk, which is subject, in certain circumstances, to maximum limits based on the characteristics of coverage. Under the terms of these reinsurance agreements, the reinsurer agrees to reimburse the Group for the ceded amount in the event that the Group is required to pay out the ceded claim to a policyholder. However, its insurance subsidiaries remain liable to the policyholders if any reinsurer fails to meet its reinsurance obligations. A default by a reinsurer to which the Group has material exposure could expose the Group to significant (unexpected) losses and therefore have a material adverse effect on its business, results of operations and financial condition. At 31 December 2015, the Group's largest exposure to reinsurers was to Swiss Re, which amounted to EUR 308.5 million.

15. If the Group's use of derivatives to protect itself against certain risks is inadequate or ineffective in limiting the Group's exposure, the Group's business, results of operations and financial condition may be materially adversely effected.

The Group is exposed to, amongst others, credit spread changes, fluctuations in equity markets, the impact of interest rate changes, changes in the fair value of its investments and liabilities, changes in mortality and longevity and, to a lesser degree, currency fluctuations. The Group uses common financial derivative instruments such as swaps, options, futures and forward contracts which it has entered into with a number of counterparties to hedge or partly hedge certain of these exposures. In addition, in August 2014 and June 2015, the Group entered into two Longevity Derivatives with RGA to hedge certain of its exposure to longevity risk included in its life insurance portfolios. The first Longevity Derivative has a six-year term and relates to underlying reserves of EUR 12.6 billion. The second Longevity Derivative (which took retroactive effect as of 1 January 2015) has an eight-year term and relates to underlying reserves of EUR 11.0 billion. While these Longevity Derivatives cover all of the life insurance liabilities of DLL, this is only part of the Group's total longevity risk exposure. Provided it can restructure the Longevity Derivatives as reinsurance contracts, the Group intends to roll over the existing Longevity Derivatives at contract maturity in order to manage its longevity risk on a continuous basis. The Group intends to renew the existing Longevity Derivatives at contract maturity in order to manage its longevity risk on a continuous basis. However, there can be no assurance that the Group will be able to do so on reasonable terms or at all. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Demographic Trends and Longevity—Longevity*" for a discussion of the dialogue between the Company and DNB.

The Group may not be able to manage these exposures adequately through the use of derivatives or appropriate derivative products may not be available, which would mean its protection would be inadequate. Furthermore, the derivative counterparty may default. Although it is the Group's policy to fully collateralise derivative contracts, and differences in market value of the collateral are settled between the relevant parties on a daily basis, it is still exposed to counterparty risk. For instance, the Group is dependent on third parties for the daily calculation of the market values of the derivative collateral. If these third parties (mostly large institutions) miscalculate the collateral required and the counterparty fails to fulfil its obligations under the derivative contract, this could result in unexpected losses, which could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's inability to manage risks successfully through derivatives (including a single counterparty's default and the systemic risk that a default is transmitted from counterparty to counterparty) could have a material adverse effect on the Group's business, results of operations, and financial condition.

There is also a risk that the Group will be unable to reflect the impact of the two Longevity Derivatives it has entered into when determining DLL's (and accordingly the Group's) SCR and risk margin, and accordingly the Solvency II ratio (SF), which could in turn have a negative impact on the Group's Solvency II ratio (SF) resulting in a material adverse effect on the Group's business, solvency, results of operations and financial condition. Further, if at any time it becomes clear that the Longevity Derivatives will not or cannot be changed to assure a classification as reinsurance under Solvency II, the risk margin reduction will immediately cease, thereby reducing the Group's Solvency II ratio (SF). See "*—The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied.*"

16. Catastrophes, including natural disasters, may result in substantial losses and could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to losses from unpredictable events that may affect multiple insured risks. Such events include both natural and man-made events, such as, but not limited to, windstorms, coastal inundation, floods, severe winter weather, and other weather-related events, pandemics, large-scale fires, industrial explosions, earthquakes and other man-made disasters such as civil unrest and terrorist attacks.

The extent of the losses from such catastrophic events is a function of their frequency, the severity of each individual event and the reinsurance arrangements that the Group has in place. A catastrophic event that is sufficiently severe could result in one or more reinsurers that have re-insured that event defaulting on their obligations to the relevant insurers, including the Group. Some catastrophes, such as explosions, occur in small geographic areas, while others, including windstorms and floods, may produce significant damage to large, heavily populated and widespread areas. The frequency and severity of catastrophes in general are inherently unpredictable and subject to long-term external influences, such as climate change, and a single catastrophe or multiple catastrophes in any period, could have a material adverse effect on the Group's business, results of operations and financial condition.

Strategic Risks

17. The Group may not be able to successfully implement its capital management and other plans and efficiency programmes, including the Offering, which it considers of strategic importance to increase profitability.

In the first part of 2015, the Group initiated a review of its strategy against the evolution of long-term trends that affect the insurance industry, such as client preferences, regulatory changes, developments in distribution, competition, changing demographics and technology create both challenges and opportunities for the Group. As a result of this review, the Group adopted a new strategy, referred to as "Closer to the customer". This strategy includes an increased focus on customer satisfaction and retention, values and ways of working, implementing capital management and other plans and efficiency enhancing programmes in order to address these trends. For additional information, see "*Business—Revised Strategy*" and "*Business—Capital Plan*". Following this review, on 30 November 2015 the Company announced a new capital plan that includes the Offering as part of a broader plan of management actions and capital measures, along with "Closer to the customer", to ensure the Group is strongly positioned in the new Solvency II era, effective since 1 January 2016. The Group's strategy and Capital Plan are intended to manage capital adequacy and the sensitivity of results to market movements and to improve its operating and financial performance. The Group's strategy also includes actions to improve its technology infrastructure and processes. As a result of these and other measures completed during the last three months of 2015, the Group's Solvency II ratio (SF) at 31 December 2015 was 131%[13]. Notwithstanding the management actions already completed and further actions management plans to implement, as well as the improved regulatory clarity compared to 30 November 2015, the Group has concluded that it needs to further strengthen the capital position of the Company to succeed under the new Solvency II regulatory regime. The Group believes that raising additional equity capital through the Offering, in addition to ongoing management actions, is necessary to achieve this. Completion of the Offering is important for the Group's future Solvency II ratio. A failure to complete the Offering could have significant negative implications for the Group's Solvency II ratio. This could result in the Group not being able to recognise LAC DT in whole or in part. Based on the assumption that that DLL and Delta Lloyd Schadeverzekering will not be not able to recognise the LAC DT as a whole, the Group estimates that the impact of the disallowance of the eligible LAC DT amounts to EUR 437 million which implies a greater than 10% point negative impact on the Group's Solvency II ratio (SF), and could have a material adverse effect on the Group's financial condition and prospects.

The Group intends to take additional management actions in 2016 and beyond as well as on an ongoing basis as part of the Capital Plan. The Group has also set a number of targets, including to reduce operational

[13] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the Other Financial Sectors ("OFS") were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

expenses, in 2016 and beyond as part of its Capital Plan. Implementation of these plans and achievement of these targets involves a number of uncertainties. The Group cannot guarantee that the implementation of its capital management and other plans and its efficiency enhancing programmes will not result in disruptions to its business or that it will be successful with these initiatives. While the Group has been able to complete divestments of its assets in the past, future divestments, including in relation to the Company's 30% stake in Van Lanschot, may be delayed, may not be completed on economically attractive terms or may not be completed at all. In addition, implementation of these projects and programmes is complex and may put a strain on available management resources, in particular because the Group is taking numerous actions simultaneously. Accordingly, it is uncertain whether the projects and programmes will achieve their underlying strategic goals, that these projects and programmes will be implemented in the planned time frame, that the actual costs of implementing any project or programme will not be greater than the estimated costs or that the actual costs will not exceed its realised savings. A failure to implement, individually or in aggregate, any project or programme successfully or in a timely manner may have a material adverse effect on the Group's business, results of operations and financial condition. For additional information, see "*Business—Capital Plan*".

In particular, the Group currently plans to divest its stake in Van Lanschot via a public market sale, subject to acceptable market conditions, and expects the proceeds of such sale will be substantially influenced by the trading price of Van Lanschot shares. The trading price has been volatile. During the period between 1 January 2015 and 21 March 2016, the trading price of Van Lanschot's shares on Euronext Amsterdam reached a high of EUR 25.70 per shares and a low of EUR 16.66 per share. On 21 March 2016, the trading price was EUR 19.45 per share. There is no guarantee that the Group will be able to sell its stake at such price or that there will be sufficient investor demand for divesting its entire stake. To the extent that the Group sells its stake in Van Lanschot at a price per share of less than that used to generate the estimated approximate 8% point increase in the Group's Solvency II ratio (SF) that the sale is expected to achieve, the impact on the Group's Solvency II ratio (SF) will be less than an 8% point increase.[14]

In October 2015 the Executive Board finalised plans to reorganise the risk management organisation, which are scheduled to be implemented in May 2016. The reorganisation aims to further improve risk management, more strictly implement key functions and support the pure division of the responsibilities of the second line of defence as described in the Solvency II guidelines. The changes to reorganisation include splitting the actuarial and risk management functions within Group and business units and installing chief risk officers on the boards of the business units. Additionally, to strengthen the risk function, the Company decided to appoint a Chief Risk Officer ("CRO") to the Executive Board. The CRO is responsible for the Company's risk management and integrity framework and for communicating the risk policy to DNB and the Netherlands Authority for Financial Markets (the "AFM"). Previously, the risk department had reported to the CFO. The Company felt it would be more beneficial to the Company to create a separate reporting line in the Executive Board for risk management, integrity and actuarial affairs, thus safeguarding the importance of these issues. While the Group believes this reorganisation will be beneficial to risk management and to implementing key functions as described in the Solvency II guidelines, future adjustments may be needed. The Group considers stabilising its capital positions, achieving a robust Solvency II ratio and improving efficiency of strategic importance. Failure to adequately execute its management plans in a timely manner may be detrimental to the Group's competitive position, and could have a material adverse effect on the Group's results of operations, financial condition and prospects.

18. The Group relies strongly on its network of Intermediaries in the Netherlands to sell and distribute its products and may not be able to maintain a competitive distribution network.

The Group uses a number of distribution channels for the marketing and offering of its products and services. The intermediary channel is an important distribution channel for the Group in the Netherlands. The Intermediaries it uses in the Netherlands are independent of the Group. While the Group provides financing for some Dutch Intermediaries, its policy is not to take equity stakes in them. As of the date of this Prospectus, the Group has only one minority equity stake in an Intermediary. In addition, the Group does not have exclusivity agreements in place with Dutch Intermediaries and they are therefore free to offer products of other insurance companies as well, and they have no obligation to give precedence to the products of the Group.

The successful distribution of the Group's products in the Netherlands therefore depends on the preferences of Intermediaries for its products and services. An Intermediary assesses which companies are suitable for it and

[14] The estimated approximate 8% point increase in the Group's Solvency II ratio (SF) assumes a sale at the trading price of Van Lanschot's shares on Euronext Amsterdam on 31 December 2015. The Group's 30% interest in Van Lanschot (unchanged from 31 December 2014) was valued at EUR 263 million based on a share price of EUR 21.23 per share at 31 December 2015.

its customers by considering, among other things, the security of investment and prospects for future investment returns in the light of a company's product offering, past investment performance, financial strength and perceived stability, ratings, the amount of initial and recurring sales commission and fees paid by a company and the quality of the service provided to the Intermediary. An Intermediary then determines which products are most suitable by considering, among other things, product features and price. An unsatisfactory assessment of the Group and its products based on any of these factors could result in the Group generally, or in particular certain of its products, not being actively marketed by Intermediaries to their customers in the Netherlands.

A prohibition on commissions for Intermediaries was implemented by the Dutch legislator with effect from 1 January 2013 for complex financial products such as life insurance pensions, mortgages and permanent health (disability). Further cancellation of profit commissions and bonuses for Intermediaries is under consideration by the Dutch legislator. In addition, the standards of expertise for advising on financial products have been tightened. Every employee that is in contact with customers and that offers advice must meet specified certification standards. The requirements of expertise (*Wft vakbekwaamheidseisen*) became applicable to all Intermediaries in January 2016. Such developments may affect the viability of the Intermediaries business model and lead to uncertainty for Intermediaries. In such circumstances they will have to adapt their business models quickly. Intermediaries that close their businesses will transfer their portfolios to other Intermediaries or providers. The risk for the Group is that its distribution base may decline, which could adversely affect overall business levels and the size of the Group's insurance portfolios could significantly decrease. In addition, the consolidation of Intermediaries could increase the remaining Intermediaries' market power.

In the Dutch market, the Group competes with other insurers and financial institutions to attract and retain commercial relationships with Intermediaries. Internet-based sales and distribution platforms are becoming increasingly important distribution channels, negatively impacting the Group's market share in relation to the products the Group sells through its established sales and distribution channels. For instance, relative to more traditional distribution channels, the sale and distribution of general insurance products through comparative price websites has increased. It is possible that the Group may experience a similar trend in relation to the sale and distribution of life insurance products. A failure by the Group to maintain a competitive distribution network, including participation in, or the development of, an internet-based platform to maintain its market share of new sales through this distribution channel compared to its market share of traditional channels, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

19. The Group faces significant competition from other insurers and non-insurance financial services companies such as banks, broker-dealers and asset managers which offer the same or similar products and services, in each of its markets. In addition, alternative distribution channels, together with increased competition, are putting increased pressure on product financing and commissions on many products.

There is substantial competition in the financial services industry based principally on price, product features, commission structures, financial strength, claims paying ability, ratings, administrative performance, support services and name recognition. The Group faces intense competition from a large number of insurance companies and non-insurance financial services companies such as banks, broker-dealers and asset managers, regarding the delivery of products to individual customers, pension funds and Intermediaries. The Dutch and Belgian insurance markets are mature and highly saturated markets, and the growth potential of insurance companies in these countries is limited. Some of the Group's competitors may have greater financial, technical and operating resources or have more established and diversified operations in terms of product range, distribution channels and geographical spread or offer alternative products, more efficient service delivery or more competitive pricing than the Group. Some of the Group's competitors may also be subject to more favourable regulatory requirements.

Generally, the Group could lose market share, incur losses on some or all of its activities and experience lower growth, if it is unable to offer competitive, attractive and innovative products and services that are also profitable, if it does not choose the right product offering or distribution strategy, if it fails to implement such a strategy successfully or fails to adhere or successfully adapt to such consumer demands and changes.

In addition, the Group's competitive position could be materially adversely impacted if it is unable to reduce and control its operating expenses, and as a result it is unable to follow the market in offering lower prices, causing its products to lose their competitiveness. Furthermore, competition could intensify as a result of the development of alternative distribution channels for certain types of insurance and securities products. Any increase in competition could result in increased pressure on product pricing and commissions on a number of products, which could, in turn, have a material adverse effect on the Group's results of operations and harm its ability to maintain or increase its market share.

20. The Group is exposed to the risk of further changes in the competitive landscape in which it operates.

The Group faces significant competition in each of its business segments, including from domestic and foreign insurance companies, distributors, financial advisers, banks, asset managers and diversified financial institutions, both for the Group's ultimate customers and for distribution through third-party distribution channels. The Group competes based on a number of factors including brand recognition, reputation, perceived financial strength and credit ratings, scope of distribution, quality of investment advice, quality of services, product features, investment performance of its products and price. A decline in the Group's competitive position could have a material adverse effect on its business, results of operations, financial condition and prospects.

The financial crisis and resulting economic downturn has resulted in important changes in the competitive landscape in which the Group operates and further changes can be expected. The financial distress experienced by certain financial services industry participants in the Netherlands and Belgium (including some of the Group's major competitors) as a result of such market and economic conditions have led and may lead to further consolidation in both the insurance and banking markets through acquisitions, forced takeovers and the formation of new alliances. An increased level of consolidation could enhance the competitive position of some of the Group's competitors by broadening their product and services ranges, increasing their distribution channels and their access to capital. Consumer demand, technological changes, regulatory changes and actions and other factors also affect competition. Generally, the Group could lose market share, incur losses on some or all of its activities and experience lower growth, if it is unable to offer competitive, attractive and innovative products and services that are also profitable, if it does not choose the right product offering or distribution strategy, if it fails to implement such a strategy successfully or fails to adhere or successfully adapt to such consumer demands and changes.

Developing technologies are accelerating the introduction and prevalence of alternative distribution channels, particularly the internet. Such alternative distribution channels may also increase the possibility that new competitors whose competencies include the development and use of these alternative distribution channels may enter the markets in which the Group operates. Although the Group has strategies in place to benefit from such alternative distribution channels, it cannot guarantee that it will be able to obtain (and maintain) a competitive share of these distributions channels such that its overall market share and competitive position is protected. Moreover, the Group is not able to accurately predict the extent to which such alternative distribution channels will replace or otherwise impact traditional distribution channels (such as Intermediaries), or what effect this may have on the Group's business.

Regulatory changes can also open up new areas of competition. For example, legislation became effective on 1 January 2016 that introduced general pension funds institutions (*Algemeen Pensioenfonds* or "APF") for defined benefit pensions. The introduction of APF leads to new entrants in the pension market, such as banks and investment managers, and allows Dutch pension funds to compete with commercial insurance companies in the Netherlands. Any such regulatory changes resulting in pension funds being allowed to service markets currently primarily serviced by insurance companies could strengthen the competitive position of pension funds given their strong, recognised brands that are synonymous with reliability, trustworthiness and financial stability. Pension funds also have access to large numbers of participants and pensioners for cross-selling of any of their insurance products. Furthermore, pension funds are not subject to the same prudential supervision and solvency restrictions as insurance companies ("Financial Assessment Framework" (*Financieel Toetsingskader*) for pension funds and Solvency for insurance companies). Proposals to align to the supervisory requirements for pension funds and insurance companies are being discussed and could result in adapting the Institutions for Occupational Retirement Provision (2003/41/EC. "IORP") Directive in Europe**,** which could lead to additional regulatory compliance and higher costs.

21. The Group is exposed to the risk of damage to any of its brands, brands of its partners or its reputation.

The Group is dependent, to a significant extent, on the strength of its brands and its reputation. The Group and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. The Group relies on its principal brand, Delta Lloyd, but also uses other brands such as OHRA and ABN AMRO Insurance. The Group is planning to phase out the OHRA brand for banking products and new business life, with the exception of term life, during the course of 2016. The Group is exposed to the risk that litigation (such as on mis-selling), employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, amongst others, whether or not founded, could damage its brands or reputation. Any of the Group's brands or the Group's reputation could also be harmed if products or services recommended by the Group (or any of its Intermediaries) do not perform as expected (whether or not the expectations are founded) or the customer's expectations for the product change.

Negative publicity could be based, for instance, on allegations that the Group has failed to comply with regulatory requirements or result from failure in business continuity or performance of the Group's information technology systems, loss of customer data or confidential information, unsatisfactory service (support) levels or insufficient transparency or disclosure of cost allocation (cost loading). Negative publicity adversely affecting the Group's brands or its reputation could also result from misconduct or malpractice by Intermediaries, business promoters or other third parties linked to the Group (such as strategic partners). While managing the reputation of ABN AMRO Bank N.V. is not within the Group's control, any negative publicity about ABN AMRO Bank N.V. could have a negative effect on the ABN AMRO Insurance brand. Furthermore, negative publicity, and damage to the Group's brands or reputation, could result from allegations that the Group has invested in, or otherwise done business with, entities and individuals that are, or which become, subject to political or economic sanctions or are blacklisted, or which do not meet environmental and social responsibility standards.

Any damage to the Group's brands (or brands associated with the Group) or reputation could cause existing customers or Intermediaries to withdraw their business from the Group and potential customers or Intermediaries to be reluctant or elect not to do business with the Group. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of the Group, which could make it more difficult for the Group to maintain its credit rating. Any damage to the Group's brands or reputation could cause disproportionate damage to the Group's business, even if the negative publicity is factually inaccurate or unfounded.

22. The Group has strategic alliances with ABN AMRO Bank N.V. and CZ and the termination of, or any change to, these alliances could have a material adverse effect on its business, revenues, profits or financial condition.

The Group sells insurance under the ABN AMRO Insurance brand through a joint venture between the Group and ABN AMRO Bank N.V. For the year ended 31 December 2015, 14% of the Group's total GWP was attributable to ABN AMRO Insurance branded products, compared to 15% for the year ended 31 December 2014. Although the joint venture is a long-term agreement, it can be terminated early under certain circumstances, including upon a change of control of the ultimate holding company of ABN AMRO Bank N.V. or the Company. In the event of such a change of control, both ABN AMRO Bank N.V. and the Company have the right to terminate the shareholders' agreement and the joint venture. The Company has the right to request that ABN AMRO Bank N.V. buys its shares and ABN AMRO Bank N.V. has the right to request that the Company sells its shares in ABN AMRO Insurance at a price to be determined pursuant to a mechanism provided for in the shareholders' agreement. The determination of the price is dependent on which party invokes the termination provision. The price the Group would receive for its shares in the joint venture is based on a pre-determined formula depending on whose ownership changes and which party elects to terminate the joint venture contract. Termination of, or any other change to, the Group's relationship with ABN AMRO Bank N.V. could adversely affect the sale of its products and its growth opportunities in the Netherlands and could therefore have a material adverse effect on the Group's business, revenues and profits.

The Group also has a partnership with the health insurer CZ (*Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep Zorgverzekeraar u.a.*, and *Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep Aanvullende Verzekering Zorgverzekeraar u.a.*). CZ distributes income and absenteeism-related insurance policies underwritten by the Group but CZ-branded to CZ's customers, while the Group distributes CZ-underwritten but Delta Lloyd or OHRA branded health insurance policies to the Group's customers. The Group also benefits from opportunities to cross-sell certain of the Group's other insurance, banking and investment products to customers with CZ-underwritten health insurance policies (that are Delta Lloyd or OHRA branded). The CZ agreements are long-term agreements, but can be terminated early by either party as a result of an interim evaluation of the arrangements in every ninth year of each (extended) ten year period, after a five-year notice period following such evaluation. The termination of or a change in the Group's relationship with CZ could negatively affect its sales volumes of these products, its products offering to its customers and its growth opportunities and could therefore have a material adverse effect on its business, results of operations and financial condition.

23. The Group's business is mainly concentrated in the Netherlands and Belgium.

The Group is particularly exposed to economic, market, fiscal and regulatory conditions in the Netherlands and Belgium and is highly susceptible to changes in any of these conditions. In 2014 and 2015, the Group generated 82% and 80%, respectively, of its total income in the Netherlands and 18% and 20%, respectively, of its total income in Belgium.

Austerity measures initiated by the Dutch government combined with weakened economic conditions in Europe and, in particular, the Netherlands following the global economic and financial crisis, resulted in higher unemployment rates, weak property markets, below-target inflation and pressure on disposable incomes. The weak economic and market conditions in the Netherlands and Western Europe in general have affected and if they were to persist, will continue to affect the Group's results of operations. The Group's own risk investment portfolio, in particular its equity and real estate portfolios, as well as its mortgage loan portfolio are particularly exposed to changes in the Dutch economic and market conditions. Although the Dutch residential mortgage market experienced a period of recovery in 2015, a weakening of the nascent economic recovery in the Netherlands, which in turn relies on recovery in Western Europe, could adversely affect the Dutch property market, and in turn the Group's returns on its real estate and mortgage loan portfolio.

Sales of life insurance products in the Netherlands have declined the past years. GWP for life insurance products have decreased from EUR 19.2 billion in 2012 to EUR 17.54 billion in 2014 (*source: DNB market data*). The decrease is principally attributable to the economic conditions which have been difficult in the Netherlands over the past few years; a depressed Dutch mortgage market against which many life insurance products are linked; negative publicity relating to unit-linked products particularly in the Netherlands; low interest rates; changes in tax laws that have made certain life insurance products less attractive to customers, and a shift in focus of insurance companies; pension funds and employers away from traditional defined benefit pension schemes as low interest rates, and the guarantees that form part of these products, have increased the cost and made these products less attractive for employers providing such benefits.

Any further deterioration in these conditions or a long-term persistence of these conditions could result in a downturn in new business and sales volumes of the Group's products, and a decrease of its investment return, which, in turn, could have a material adverse effect on the Group's growth, business and results of operations.

24. The Group could fail to effectively identify or execute strategic acquisitions, joint ventures, alliances or investments, and if such transactions are pursued, it could fail to implement them successfully or realise anticipated benefits in a timely manner.

From time to time, the Group evaluates opportunities relating to acquisitions, joint ventures, alliances or investments in businesses, products, technologies or innovations which would complement its business and its growth strategy.

However, the Group may not be able to identify suitable candidates for such acquisitions, joint ventures, alliances, or investments, or, if the Group does identify suitable candidates, it may not be able to value properly the transaction or complete any transaction on acceptable terms or at all. Any failure by the Group to identify suitable transactions, properly value transactions or complete transactions could harm the Group's competitive position, and its ability to maintain or increase its market share and profitability. Future acquisitions could also require issuing equity, which would have a dilutive effect on the ownership and voting percentages of the Shareholders.

Furthermore, any acquisitions, joint ventures, alliances or investments by the Group could entail risks, such as:

- difficulties in realising cost, revenue or other anticipated benefits from the acquired entity, joint venture, alliance or investment, including the loss of key employees from the acquired entity, joint venture, alliance or investment;
- costs of executing the acquisition, joint venture, partnership or investment, both in terms of capital expenditure and increased management attention;
- potential for undermining the Group's growth strategy, its relationship with customers, Intermediaries and/or partners or other elements critical to the success of its business;
- liabilities or losses resulting from the Group's control of the acquired entity, or participation in the joint venture or alliance or investment;
- liabilities or losses resulting from claims under guarantees, representations and warranties and/or indemnities given by the Group to its counterparties in relation to a joint venture or alliance; or
- difficulties in integrating an acquired business into its own business or in realising cost reductions from such integration.

All or any of the foregoing could have a material adverse effect on the Group's business, results of operations and financial condition.

Regulatory and Litigation Risks

25. The Group is subject to comprehensive insurance, investment management, banking, pension and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative powers over the Group. These laws and regulations have been and will be subject to changes, the impact of which is uncertain. Failure to comply with applicable laws and regulations may trigger regulatory intervention which may harm the Group's reputation, and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to comprehensive insurance, investment management, banking, pension and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative and discretionary power over the Group. Amongst others, the laws and regulations to which the Group is subject relate to: capital adequacy requirements; liquidity requirements; permitted investments; the distribution of dividends; product and sales suitability; product distribution; payment processing; employment practices; remuneration; ethical standards; anti-money laundering; anti-terrorism measures; prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted; anti-corruption; privacy and confidentiality; recordkeeping and financial reporting; price controls, and exchange controls. See "*Supervision and Regulation*". Failure to comply with any laws and regulations could lead to disciplinary action, the imposition of fines and/or revocation of a licence, permission or authorisation necessary for the conduct of the Group's business or civil liability, all or any of which could have a materially adverse effect on the Group's business.

The laws and regulations to which the Group is subject are becoming increasingly extensive and complex and regulators are applying increased scrutiny on the industries in which the Group operates, and on the Group itself, placing an increasing burden on the Group's resources and expertise, and requiring implementation and monitoring measures that are costly. Regulations to which the Group is, and may be, subject may limit the Group's activities, including through its net capital, customer protection and market conduct requirements, may negatively impact the Group's ability to make autonomous decisions in relation to its businesses and may limit the information to which the Group has access in relation to those businesses, and result in restrictions on businesses in which the Group can operate or invest, each of which may have a material adverse effect on the Group's business, results of operations and prospects. As compliance with applicable laws and regulations is time-consuming and personnel-intensive, and changes in laws and regulations have increased, and may further increase, the cost of compliance has increased and is expected to continue to increase.

Laws, regulations and policies currently governing the Group have changed, and may continue to change in ways which have had and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The Group cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have.

Laws and regulations applied at a national level generally grant supervisory authorities broad administrative discretion over the Group's activities, including the power to limit or restrict business activities. It is possible that laws and regulations governing the Group's business or particular products and services could be adopted, amended or interpreted in a manner that is adverse to the Group. These include laws and regulations that (a) reduce or restrict the sale of the products and services offered by the Group, (b) negatively affect the pricing, distribution or performance of these products and services, (c) prohibit the Group from putting certain exclusions in its insurance policies or (d) affect the Group's solvency and capital requirements. The Group's income, costs, results of operations and available or required regulatory capital could also be affected by an increase or change in regulations. In recent years, the general trend in Dutch regulation has been to hold financial institutions to increasingly stricter and more detailed standards concerning their duty of care to their customers. This trend affects the Group's Dutch life insurance business through rules regarding the sale of pension and life insurance products to individuals as well as the introduction of life cycle investment restrictions in collective defined contribution plans. The Group's Dutch banking operations are particularly affected through requirements to assess the suitability of mortgage products for customers.

Despite the Group's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations, these compliance procedures may be inadequate or otherwise ineffective, including as a result of human or other operational errors in their implementation, and the Group might fail to meet applicable standards.

The Group may also fail to comply with applicable laws and regulations as a result of unclear regulations, regulations being subject to multiple interpretations or being under development, or as a result of a shift in the interpretation or application of laws and regulations (including EU directives and regulations) by regulators. Failure to comply with any applicable laws and regulations could subject the Group to administrative penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures (including claims from group customers) and adverse publicity, harm the Group's reputation, cause temporary interruption of operations, and could cause revocation or temporary suspension of the licence. The Group is currently, and will from time to time be subject to onsite inquiries and reviews by DNB, as its principal regulator, and such processes have in the past identified, and may again in the future identify, material shortcomings in areas such as risk management that the Group is required to remedy. Each of these risks, should they materialise, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

26. Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition.

The EU has adopted a full scale revision of the solvency framework and prudential regime applicable to insurance, reinsurance companies and insurance groups through Solvency II, intended to move to a risk-based capital adequacy regime and to harmonise the rules throughout Europe. The framework for Solvency II is set out in the Solvency II Directive. On 17 January 2015, the European Commission Delegated Regulation (EU) NO. 2015/35 of 10 October 2014 supplementing the Solvency II Directive (the "Delegated Acts") were published in the Official Journal of the European Union and were effective the following day. Implementing Technical Standards ("ITS") and Guidelines became available in 2015. In the Netherlands, the legislation implementing the Solvency II Directive came into force on 1 January 2016. With the approval of the Omnibus II Directive, setting out additional high-level regulations that supplement the Solvency II Directive, the definitive text of the framework directive became available.

Solvency II is aimed at creating a new solvency framework in which the minimum amounts of financial resources that insurance and reinsurance companies are required to hold in order to cover the risks to which they are exposed better reflect such companies' specific risk profiles. Solvency II introduces economic risk-based solvency requirements across all Member States for the first time. While the directives adopted by the Parliament and Council of the European Union relating to the taking-up and pursuit of insurance business within the European Union (excluding the Solvency II Directive) and including, without limitation, Directive 73/239/EEC of the European Union (as amended) and Directive 98/78/EC of the European Union (as amended) on the supplementary supervision of insurance undertakings in an insurance group ("Solvency I") concentrated mainly on the liabilities side (i.e. insurance risks) and included a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduces more comprehensive solvency requirements, taking into account the risks associated with supporting the insurance liabilities. The new regime is a "total balance sheet" type regime where all the insurers' material risks and their interactions are considered. In addition to these quantitative requirements ("Pillar 1"), Solvency II also sets requirements for governance, risk management and effective supervision ("Pillar 2"), and disclosure and transparency requirements ("Pillar 3").

Under Pillar 1 of Solvency II, insurers are required to hold capital known as "own funds" equal to or in excess of both a MCR and the higher SCR. The MCR is first calculated in accordance with the SF and then adjusted if necessary to fall within a corridor of 25-45% of the SCR. Solvency II categorises own funds into three tiers (Tier 1, Tier 2 and Tier 3 capital) reflecting permanence and the ability to absorb losses, resulting in eligible own funds (i.e. available own funds minus non-eligible own funds, since eligible amounts of restricted Tier 1, Tier 2 and Tier 3 capital are subject to quantitative limits). The solvency of an insurance company under Solvency II is assessed by means of the ratio between eligible own funds and the SCR. The solvency ratio under Solvency II is affected by the treatment of deferred taxes in two ways: through a potential increase of the level of own funds (when a recognised deferred tax asset is included in the Tier 3 capital that can be used for covering the SCR up to a maximum of 15% of the total SCR) and through a potential reduction of the SCR via a deduction for the LAC DT. LAC DT refers to the level of contingent deferred tax arising in the case of a 1-in-200 stress event. As of 31 December 2015, the deferred tax assets included in the eligible Tier 3 capital was EUR 159 million which represented 6% of the total SCR, this is lower than the maximum 15% because eligible Tier 2 and Tier 3 capital cannot be higher than 50% of the SCR, which is another restriction on the eligible own funds determination; this 50% SCR restriction applied in 2015. The LAC DT for the Dutch insurance entities of the Group was EUR 524 million as of 31 December 2015. The Belgian regulator (the *Nationale Bank België* or the "NBB") has informed the Group's Belgian insurance entity that it will not be permitted to utilise any LAC DT to reduce its SCR, until the Group is able to demonstrate to the NBB sufficiently robust LAC DT methodology.

Deferred tax liabilities are recognised in accordance with IAS 12 and valued at their nominal value, while recognition of deferred tax assets in the balance sheet and for Tier 3 purposes and for purposes of determining LAC DT (which will impact the SCR calculation) is subject to a recoverability test. This recoverability test must show that sufficient taxable profits will be available in the future against which the deferred tax asset can be utilised. The recoverability test will be different depending on whether the Group is determining the availability of deferred tax assets for Tier 3 purposes or LAC DT. The Group's method for determining the recoverability of deferred tax assets to be recorded on the balance sheet includes certain assumptions as to future profits and the recognition of tax sharing arrangements among the Dutch legal entities that make up the Group, which permit profits and losses among the Group companies to be set off against each other. For purposes of calculating LAC DT, similar assumptions are made but the deferred tax assets that make up LAC DT are based on stress testing the Group's Dutch insurance entities' balance sheets and income statements and the Group's LAC DT is the sum of the Dutch insurance entities' LAC DT including a correction factor, as required by Solvency II. Recoverability will be based on future profits in excess of those profits used in determining the recoverability of deferred tax assets included on the balance sheet. In addition, LAC DT is only able to be calculated on an entity by entity basis (rather than being able to take advantage of tax sharing arrangements) which could materially reduce the level of LAC DT that may be available to the Group to reduce its SCR.

On 16 December 2015, the Group's regulator published further guidance on the requirements an insurance company must comply with in order to apply LAC DT. The recognition of LAC DT is predicated on the downstreaming of future profits that will be available to utilise deferred taxes. In addition, the Group's recognition of LAC DT requires the completion of the Offering and the availability of certain credit lines that are expected to enable the Company to recapitalise other parts of the Group if required such that it is reasonable to expect the utilisation of deferred tax assets. On 23 February 2016, the Group received a letter from DNB notifying it that for the Dutch entities the Group can utilise LAC DT on the SCR for its Dutch entities subject to the following conditions:

- The commitment on liquidity plans of the Group to the entities had to be finalised before 15 March 2016, which it was;
- The Group must deliver updates of the LAC DT substantiations that it originally provided for all entities to DNB if the Offering is insufficient to meet the assumptions in the original LAC DT substantiations allowing DNB to reassess LAC DT; and
- Future guidance of EIOPA and other new facts and developments, including ongoing discussions on LAC DT, may change DNB's position on the requirements for the substantiation of LAC DT (beginning with the Group's 31 December 2016 reporting).

The inability of the Group to meet these constraints, or any change in the expected level of future profitability or the other requirements to recognise LAC DT, including the failure of the Offering, could result in the Group not being able to recognise LAC DT in whole or in part when such recognition is periodically retested. Based on the assumption that DLL and Delta Lloyd Schadeverzekering will not be able to recognise LAC DT as a whole, the Group estimates that the impact of the disallowance of the eligible LAC DT amounts to EUR 437 million and would result in a greater than 10% point negative impact on the Group's Solvency II ratio (SF).

The Group has used a detailed model to underpin the recoverability of taxes in the case of stress situations. The LAC DT valuation remains a subjective element and further regulatory guidance could lead to a lower recognition of, this loss absorbing element. For the Group's Belgian operations, NBB has not accepted the results of the model as evidence recognising the LAC DT which has been eliminated. For further information on LAC DT, see "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*".

Under Solvency II, own funds will use IFRS balance sheet items where these are at fair value and replace other balance sheet items using market valuations. The determination of the technical provisions and the discount rate to be applied will have a material impact on the amount of own funds required and the volatility of the level of own funds. The SCR is a risk-based capital requirement which will be determined using either a SF (set out in level 2 implementing measures), or, where approved by the relevant supervisory authority, an internal or partial internal model. The internal model can be used in combination with, or as an alternative to, the SF as a basis for the calculation of an insurer's SCR. Such a model must be approved in the Netherlands by DNB and in Belgium by the NBB.

In the first half of 2015, the Group observed volatility in its solvency ratio, which was caused predominantly by model adjustments, due to remaining uncertainties in the internal model. After a thorough analysis ordered by the Executive Board, the Group determined that it was necessary to recalibrate certain assumptions relating to operational risk and mortgage valuation, and change from a full to a partial internal model. The Executive Board conducted a full review of the partial internal model in the third quarter of 2015. This review concluded that the partial internal model continued to result in difficulties and produce volatile results. Consequently, the Group decided to switch to the more prescriptive SF under Solvency II and DNB will continue to review the appropriateness of the Group's use of the SF, with a possible impact in 2017 at the earliest. As the Group believes that a partial internal model better reflects the risks than the SF, it will continue to update and test its partial internal model. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018. There can be no assurance, however, that the Group will be successful in producing a satisfactory partial internal model that it can implement or that DNB will approve the model that the Group produces (which is also an important condition to continued reflective of the impact of the Longevity Derivatives under determining the Group's Solvency II ratio). Furthermore, the timetable for the development and implementation of the partial internal model is dependent on the Group's regulators and therefore it is not entirely within its control, exposing it to the risk of delay. If the Group is unable to make progress on the application of the partial internal model before 1 January 2017 or implement and have a Solvency II compliant partial internal model approved by DNB by 1 January 2018, this could have a material adverse effect on its business, solvency, results of operations and financial condition. For more information on the discussion between the Company and DNB, see "*Operating and Financial Review—Key Factors Affecting Results of Operations—Demographic Trends and Longevity—Longevity*"; and "*—Financial Risks—The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is time limited unless certain conditions are satisfied.*"

Furthermore, as a result of using the SF, the Company is likely to have higher capital requirements than it would if it used an internal model. The need to maintain higher capital levels could make it more challenging to comply with Solvency II. However, there is no certainty the implementation of an internal model would result in an improvement in the Group's Solvency II ratio. Given the possibility of further changes to the interpretation of Solvency II by regulators and market participants, the effects of Solvency II on the Group's business, solvency margins and capital requirements are uncertain and could be material. While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is the risk that regulators introduce capital add-ons or strict, unexpected parameters for internal models, or that a lack of proper management information due to uncertainty about the regulatory changes when used, could lead to insufficient solvency levels. As outlined above, the calculation of the Group's Solvency II ratio (SF) is assessed by means of the ratio between eligible own funds and the SCR. The Group has based the calculation of this ratio on various inputs and calculations. If any of these inputs or calculations are incorrect, or if the Group's regulator does not agree with the Group's inputs or calculations, this could have a material adverse effect on the Group's business, solvency, results of operations and financial condition. There is also a risk that the Group underestimates or over-estimates its capital position, which in turn could result in incorrect investment and risk return decisions. Should the Group not be able to adequately comply with the Solvency II requirements in relation to capital (including with respect to the grandfathering of existing subordinated loan structures, risk management, documentation and reporting processes), this could have a material adverse effect on its business, solvency, results of operations and financial condition. For the Group's Solvency II ratios at 31 December 2015 using the SF, see *"Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II". See also "—Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, including stringent requirements in respect of regulatory capital and liquidity. Any adverse changes in such laws and regulations and/or changes in the interpretation of existing laws and regulations, could have an adverse effect on the Group's business, results of operations, financial condition and prospects"* below.

Non-compliance or expected non-compliance with the Solvency II requirements may also adversely affect the Group's dividend distribution and the ability of the Group to repay subordinated loans. See also "*—Operational Risks—The Company's ability to pay dividends to Shareholders may be constrained.*" below.

27. Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, including stringent requirements in respect of regulatory capital and liquidity. Any adverse changes in such laws and regulations and/or changes in the interpretation of existing laws and regulations, could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's banking subsidiary, Delta Lloyd Bank N.V. ("Delta Lloyd Bank Netherlands"), is subject to extensive and detailed banking and other financial services laws and regulations, and is subject to supervision by DNB. The timing and form of future changes in laws and regulations and/or changes in the interpretation of existing laws and regulations are unpredictable and beyond the control of the Group. Any such changes made could materially adversely affect the Group's banking business and therefore the Group.

The laws and regulations to which Delta Lloyd Bank Netherlands is subject include the Basel framework and European Banking Union framework. The latest changes in the Basel framework were translated into a directive (2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, "CRR"), together referred to as the "CRD IV framework". The CRD IV directive was implemented in Dutch law as of 1 August 2014. The CRR has been directly applicable since 1 January 2014, and has resulted in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements in relation to solvency supervision and liquidity supervision. The annual supervisory review and evaluation process ("SREP") by DNB is part of this new framework. Capital requirements are, amongst other requirements, based on this SREP and the general trend in Europe over the last few years has been for increasingly stringent capital and leverage requirements for banks. At the date of this Prospectus, Delta Lloyd Bank Netherlands is still awaiting the final SREP 2015 decision from DNB, after having received a preliminary SREP 2015 decision on 14 January 2016. Delta Lloyd Bank Netherlands is currently corresponding with DNB in this regard, and if the final SREP 2015 decision includes a requirement for it to have an increased CET1 ratio this could have a material adverse effect on its, and in turn the Group's, business, solvency, results of operations and financial condition.

Under the CRD IV framework, Delta Lloyd Bank Netherlands is required to maintain minimum solvency and liquidity ratios, including a minimum total capital ratio ("BIS Solvency Ratio") and minimum CET1 ratio. The level of capital Delta Lloyd Bank Netherlands is required to maintain is subject to certain requirements and is reviewed against risk-weighted assets and may be varied on an annual basis by DNB based on the outcome of the annual SREP procedure.

The CRD IV framework is applied on an individual basis and, in some cases, on a consolidated basis. The individual application is based on the unconsolidated accounts of the legal entity which is licenced as an institution (in the case of the Group, Delta Lloyd Bank Netherlands). Delta Lloyd Bank Netherlands consolidates on its own level (and includes its securitisation vehicles active under the Group's Arena securitisation programme), but does not include the Company. The consolidated application consolidates several legal entities within a financial group into a single (hypothetical) consolidated entity to which the CRD IV framework is applied. As Delta Lloyd is a financial conglomerate, as a result of the consolidation rules in the CRD IV framework, Delta Lloyd Bank Netherlands may be required to include its parent, Delta Lloyd N.V., in its consolidated reporting to DNB. The CRD IV framework provides a number of different methods for purposes of calculating the MCRs, including: consolidation and deduction; consolidation and risk weighting; and non-consolidation. In the consolidation and deduction method, all own funds from insurance entities included in the scope of consolidation are deducted from own funds. In the consolidation and risk weighting method, which is available provided that certain conditions are met, the own funds from insurance entities are not deducted, but risk weighted at 100% for purposes of calculating required capital. In the third alternative, consolidation is not required provided that certain conditions are met. Such conditions include, among others, that the holding company is subject to risk based supervision, which is deemed by the competent authorities of a comparable standard to the CRD IV framework. This means, for example, that the competent authorities must be satisfied that the level of integrated management, risk management and internal control regarding the entities that would be included in the scope of consolidation is adequate. On 20 January 2016, DNB informed the Company that Delta Lloyd Bank Netherlands will, until the European Commission and/or the ECB inform otherwise, not be required to include its parent, the Company, in its consolidated reporting to DNB. DNB said it took into account the limited size of Delta Lloyd Bank Netherlands relative to the insurance activities within the Group and that Delta Lloyd Bank Netherlands remains an integral part of the Group's strategy and risk management. DNB explicitly stated that the European Commission and/or the ECB, from which DNB has requested guidance, may take a different view than DNB, but the outcome thereof is unknown at the date of this Prospectus.

If Delta Lloyd Bank Netherlands is not permitted to continue to calculate its capital ratios on a stand-alone basis anymore, there is a risk that capital requirements of Delta Lloyd Bank Netherlands (and therefore the

Group) could increase significantly. This, in turn, could require Delta Lloyd Bank Netherlands to raise additional regulatory capital. If the Group were unable to raise the requisite additional capital, Delta Lloyd Bank Netherlands could be required to reduce its risk-weighted assets and/or the Group to engage in the disposition of core and other non-core businesses (including Delta Lloyd Bank Netherlands), which may not occur on a timely basis or against prices which would otherwise not be attractive to the Group. Should any of the foregoing occur, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, European supervisory and/or resolution authorities are expected to develop a framework for the regulation of asset encumbrance by financial institutions. Asset encumbrance is a key component of risk management. The framework is under debate, however, it is likely to include a required maximum asset encumbrance ratio ("AER"). The AER is defined as the encumbered assets of an institution and collateral received by the institution and re-used and therefore encumbered divided by total assets and collateral received. An asset is treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. DNB, as the national resolution and supervisory authority in the Netherlands, will be responsible for applying any asset encumbrance restrictions. For Delta Lloyd Bank Netherlands, limiting the AER might limit its ability to raise secured funding which in turn could increase its funding costs and impact its liquidity and profitability, which thereby could have a material effect on Delta Lloyd Bank Netherlands' and the Group's capital, results of operations, financial condition and prospects.

28. If the Group breaches or is at risk of breaching any of the regulatory capital requirements to which it is subject, the supervisory authorities may require the Group to take remedial actions, which could have a material adverse effect on the Group's business, results of operations and financial condition and could require it to raise additional capital.

The Group is required to maintain significant levels of capital and to comply with a number of regulatory requirements relating to its solvency and reporting bases. The supervisory authorities could require the Group to take remedial action if the Group or any of its regulated subsidiaries breaches or is at risk of breaching any of the regulatory capital requirements, including suspending the payment of dividends. In addition, the supervisory authorities could, taking into account economic conditions and the specific risk profile of the business, decide to increase the regulatory capital requirements of the Group or any of its regulated subsidiaries. The Group could, for example, be required to work closely with the authorities to protect policyholders' interests and to restore the Group's or the individual subsidiary's capital and solvency positions to acceptable levels, to ensure that the financial resources necessary to meet obligations to policyholders are maintained. In taking any such remedial action, the interests of the policyholder would take precedence over those of shareholders.

Many factors could cause the Group's capital position to worsen, including those outlined in the risk factors in this section of the prospectus (for example, financial risks such as changes in the financial markets, interest rate volatility, changes in the level of the UFR, recognition of the Longevity Derivatives, a sustained low interest rate environment, or unforeseen changes in longevity, mortality and morbidity experience. Additionally, risks such as adverse litigation, changes to capital regulations, or a failure by the Group to execute its Capital Plan).

If the Group is unable to meet its regulatory requirements or manage its target capital position by redeploying existing available capital, it would need to consider taking other measures to protect its capital and solvency position. These measures might include divesting parts of its business, which may be difficult or costly or result in a significant loss as it might have to be undertaken quickly. The Group might also have to raise additional capital in the form of subordinated debt or equity. Raising additional capital from external sources might be impossible due to factors outside the Group's control, such as market conditions, or it might be possible only on unfavourable terms and may contain unfavourable terms or conditions. Any further capital raises could also be detrimental to existing Shareholders. See "*—Risks Related to the Offering and the Offer Securities—Additional equity offerings or future sales of Ordinary Shares by the Group, or the possibility of such offerings or future sales, could have a material adverse effect on the price of the Ordinary Shares and interests of Shareholders.*" The effects of any of these measures could have a material adverse effect on the Group's business, results of operations and financial condition.

If the regulatory requirements are still not met (because the Group could not take appropriate measures or because the measures were not sufficiently effective) the Group could lose some or all of its licences and hence be forced to cease some or all of its business operations. For further information on the regulatory requirements relating to the Group's solvency and reporting bases, see "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements*", "*Supervision and Regulation—EU Regulatory*

Framework—Banking and Banking-Related Regulation" and *"Supervision and Regulation— EU Regulatory Framework—Insurance and Insurance-Related Regulation"*. See also "*—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition"* and "*—Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, including stringent requirements in respect of regulatory capital and liquidity. Any adverse changes in such laws and regulations and/or changes in the interpretation of existing laws and regulations, could have an adverse effect on the Group's business, results of operations, financial condition and prospects*" above.

29. Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group faces significant risks of claims and allegations, litigation and regulatory investigations in the conduct of its business. In recent years, the financial services industry and financial products have increasingly been the subject of litigation, investigation and regulatory activity by various governmental, supervisory and enforcement authorities as well as private parties. The litigation and investigations concern common industry practices such as the disclosure of contingent commissions, transparency of costs, the adequacy of insurance advice and the accounting treatment of finite reinsurance or other non-traditional insurance products. Such investigations into the financial services industry generally, and specifically with respect to the Group, are on-going. Furthermore, from time to time, the Group is subject to reviews or inspections by its regulators that may lead to findings that require remedial actions.

The Group received a final report from DNB (dated 8 February 2016) in relation to a September 2015 onsite investigation into DLL's management of market risk, which concluded that DLL had not demonstrated its management of market risk was adequate and identified a number of material shortcomings, including that DLL's investment policy is insufficiently developed and documented, the composition of DLL's investment portfolio and the valuation of asset categories it attributes is insufficiently tested and insufficiently related to the composition and characteristics of DLL's liabilities, the investment mandate from DLL to Delta Lloyd Asset Management N.V. ("Delta Lloyd Asset Management" or "DLAM") does not sufficiently contain effective restrictions on DLAM's asset management operations and the reporting methods used by DLL offer insufficient insight needed to make a well-founded assessment of the exposure, performance and risks of its investments.

The Group received a final report from DNB (dated 29 February 2016) in relation to an October 2015 onsite investigation into operational risk in relation to the asset management mandate from DLL to DLAM and DLAM's balance sheet management advice to DLL, including in light of Solvency II, although the findings are relevant to DLAM's third party asset management as well. The report concluded that DLAM could not currently execute DLL's asset management mandate correctly as a result of overdue maintenance of its administrative organisation and internal control and a lack of human resources, risk management of DLL's asset management is insufficient, which means DLL's mandate cannot be executed suitably, and DLAM operates in an environment where considerable operational risk can arise to the detriment of both DLL and third party clients.

The Group (including in particular DLL and DLAM) is currently in the process of addressing the shortcomings identified in these reports, which will entail some additional cost. If these shortcomings are not addressed to DNB's satisfaction, the Group could be limited in its ability to execute its strategy (for example, the management of third party assets) or be required to change or cease certain activities. The Group may be subject again to such processes in the future and these may lead to recommendations or requirements that the Group change its operations, procedures, risk management or business conduct or may otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may also become subject to claims, allegations, litigation and regulatory investigations unrelated to the conduct of its business. For example, the Company has received several letters starting in late 2015 from counsel and representatives for Fubon Life Insurance Co., Ltd., ("Fubon"), a Taipei-based financial firm, with a 7.13% shareholding in the Company as disclosed in a statement filed with the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof Amsterdam*) (the "Enterprise Chamber") on 10 March 2016. Fubon has been a substantial shareholder in the Company since its participation in the Company's accelerated book building offering in March 2015 (in which it purchased 12 million of the 19.9 million Shares sold at a price per Share of EUR 17.00; Fubon has noted it later increased its stake to

16.37 million Shares). In these letters, Fubon queried whether the Company was in compliance with its disclosure obligations, including at the time of the March 2015 offering and over summer 2015, claimed full compensation from the Company for the entire loss in value of its investment and noted it would pursue all remedies it considers necessary. Accordingly, Fubon may commence legal proceedings, whether seeking compensation for the loss it has suffered on its investment or otherwise, against the Company. See *"Business—Litigation—Fubon"*.

Current and future inspections, reviews and investigations by supervisory authorities, in particular in the context of market conduct supervision, could result in sanctions, require the Group to take costly remedial measures or result in changes in laws and regulations in a manner that is adverse to the Group and its business. Changes to the pricing structure of any products resulting from legal or regulatory action, a substantial legal liability or a significant regulatory action could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, the Group's reputation could suffer and it could be fined or prohibited from engaging in some of its business activities or be sued by customers if it does not comply with applicable laws or regulations. The occurrence of claims and allegations, litigation and investigations could also affect the Group's ability to attract and retain customers and maintain its access to the capital markets.

It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the Group, particularly those cases in which the matters are brought on behalf of various groups of claimants, seeking damages of unspecified or indeterminate amounts or involving novel legal claims. The Group's provisions for litigation liabilities may prove to be inadequate.

Claims and allegations, should they become public, need not be well-founded, true or successful to have a negative impact on the Group's reputation, or lead to similar claims or allegations from other claimants. In addition, press reports and other public statements that assert some form of possible wrongdoing on the part of the Group or other large and well-known companies (including as result of financial reporting irregularities) could result in adverse publicity and in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time-consuming and expensive.

Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects in any given period. For a description of litigation concerning the Group, see "*Business—Litigation*".

30. The Group's business could be negatively affected as a result of shareholder activism, which could destabilise the Group, cause the Group to incur significant expense, hinder execution of its capital management and other plans and impair the market value of its Ordinary Shares.

Shareholder activism, which can take many forms or arise in a variety of situations, has been increasing in publicly traded companies in recent years and the Group is subject to the risks associated with such activism. On 1 March 2016, Highfields Capital Management LP ("Highfields") published a document setting out its reaction to the Group's Capital Plan as presented on 24 February 2016 and its conclusion to vote against the Rights Offering. On 4 March 2016, Highfields commenced inquiry proceedings (*enquêteprocedure*) before the Enterprise Chamber seeking an independent investigation (*enquête*) into the policy and affairs of the Company dating from 1 August 2015 and to have the Enterprise Chamber appoint an independent expert to conduct such investigation. Highfields' application to the Enterprise Chamber also contained a petition for immediate injunctive relief with the effect of prohibiting the vote on the Rights Offering at the extraordinary general meeting planned for 16 March 2016. Another shareholder, Fubon, filed a statement with the Enterprise Chamber supporting Highfields' requests on 10 March 2016, although it did not file a claim of its own. The Enterprise Chamber rejected Highfields' requests for immediate injunctive relief on 14 March 2016. The Enterprise Chamber has not yet issued a judgment on Highfields' request to order an independent investigation into the policy and affairs of the Company. In view of the urgency of the matter, the hearing that took place on 14 March 2016 and the Enterprise Chamber's judgment of the same date only concerned Highfields' requests for immediate injunctive relief. The Enterprise Chamber has reserved judgment on the request for an independent investigation and a separate hearing will be scheduled to hear the parties' arguments with respect to this request. Inquiry proceedings constitute a specific cause of action under Dutch statutory corporate law. The request for an inquiry is filed by way of a first-stage petition. If this petition is successful, court-appointed investigators will perform an investigation into the Company and will subsequently issue a report. On the basis of the findings of this report, a second-stage petition for a declaratory judgment from the Enterprise Chamber that mismanagement (*wanbeleid*) has occurred at the Group may be filed. If the Enterprise Chamber grants the petition and issues a declaratory judgment, it may impose definitive remedial measures such as the nullification of board or shareholder resolutions or the removal of one or more board members. Furthermore, during the course of the proceedings applicants may request interim measures by way of injunctive relief. In the event the petition proceeds, the institution of definitive or remedial measures could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

Shareholder activism, including potential shareholder proxy contests (for example related to the election of members of the Supervisory Board or Executive Board), could destabilise the Group, result in substantial costs and divert the Group's management and Supervisory Board's attention and resources from its day to day business and operations. Additionally, such shareholder activism could give rise to perceived uncertainties as to the Group's future direction, adversely affect the Group's relationships and make it more difficult to attract and retain qualified personnel. Also, the Group may be required to incur significant legal fees and other expenses related to any activist shareholder matters. Shareholder activism may also take up a considerable amount of management and employee time and attention. Any of these impacts could have an adverse effect on the Group's business, results of operations, financial condition and prospects. Further, the market value of the Group's Ordinary Shares could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties described above.

31. The Group is exposed to the risk of mis-selling claims from customers who feel misled or treated unfairly.

The Group's life insurance, general insurance, investment and pension products are exposed to mis-selling claims. Mis-selling claims are claims from customers that they received misleading advice from advisers (internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products (possible 'defective product' claim) or the circumstances under which the products were sold, were misrepresented to them. Customers (whether they are individual or group customers) who feel that they have been misled have sought, and may in the future seek, redress for expectations that the advice or perceived misrepresentations created. Customers may hold the insurance company accountable for the advice given in the course of direct sales by the company to customers (direct writing). Customers may also hold the insurance company responsible for advice given by an intermediary, even though the insurance company has no control over the intermediary. Complaints may also arise in respect of any other aspect of the Group's business if customers feel that they have not been treated reasonably or fairly (whether or not this is accurate or well-founded) or that the Group has not complied with its duty of care in connection with the specific circumstances of a customer. Furthermore, customers' views of what is fair and reasonable could change over time and the Group's duty of care is subject to change as a result of legislation and case law, which may have an impact on the number of claims related to these matters.

Unit-linked insurance products have been the subject of debate and alleged claims of mis-selling since 2006. Unit-linked insurance products were developed and launched in the 1990s at a time when equity markets were strong. Unit-linked insurance products have proven to be popular during periods of equity market appreciation, since this appreciation benefits the policyholder. However, as markets began to decline in 2006, unit-linked insurance products became less attractive compared with traditional life insurance products as only the actual returns on equity investments were available to be passed on to policyholders and such returns were declining. In some cases the value of a policy could be partly influenced by the level of costs and/or the structure of the products. Together with declining markets this situation resulted in a small number of non-accruing unit-linked insurance policies (a unit-linked insurance policy where the future increase of value is less than the future contribution payments). In September 2006, a large group of policyholders and consumer organisations started a public debate regarding the (perceived) lack of transparency of the structure of these contracts, particularly in respect of the costs of certain products, as well as certain aspects of the nature of the products (possible "defective products" claims).

Following this public debate, the Group (AAL and DLL) entered into agreements in 2008 and 2010 with consumer and investor interest groups (a.o. *Stichting Verliespolis, Vereniging van Effectenbezitters and Vereniging Eigen Huis*). The agreements include a settlement on standardised charges for individual, privately held unit-linked insurance products purchased in the past. The recommendations from the Dutch Financial Services Ombudsman, Mr. J. W. Wabeke (the "Wabeke recommendation"), was taken into account for determining the compensation. An arrangement was also made for customers in "distressed" situations. At the end of 2012, the Group added the compensation directly into the policies and it is therefore included in the Group's insurance liabilities, a method which was recommended by the Dutch Ministry of Finance (*Ministerie van Financiën*).

The Group has informed its customers about their unit-linked insurance policies through advisers and its Intermediaries, so they can make well-considered decisions about whether or not to adjust their policies. In the event that the advisers and Intermediaries are not able to advise a customer or a customer no longer has an adviser, the Group itself provides advice to this customer. If customers want to change their policies, the Group will support them in adjusting their policies. The Group has been actively contacting its customers for them to take action in this regard. The Group refers to the process of contacting customers and informing them of their options as the "activation" of customers. The activation of customers was imposed by the Dutch Ministry of Finance through legislation. The corresponding targets were imposed by the AFM. With respect to the activation of customers with a non-accruing policy, the AFM imposed a target of activating 100% of its customers by 21 August 2015. The Group did not fully reach this target as it achieved an activation percentage that was slightly below 100%. Therefore, by 21 August 2015 the Group was not fully compliant with the target imposed by the AFM as set out in the Further Regulations on the Supervision of the Conduct of Financial Undertakings (*Nadere Regeling gedragstoezicht financiële ondernemingen Wft*), but it continues its efforts to reach the remaining customers with non-accruing policies to achieve the target of 100%. With respect to the activation of customers with a mortgage-linked policy, the AFM imposed a target of activating 80% of customers by 21 August 2015. The target of activating 80% of the customers with a mortgage-linked policy by 21 August 2015 was achieved, as the activation percentage was already above that percentage by the end of 2014. By year end 2016, according to the target imposed by the AFM, 100% of customers with mortgage-linked polices need to be activated. The AFM published the activation scores reached by insurers in its report of 28 October 2015. The Group continues its efforts to reach the last remaining customers with mortgage-linked policies. Additionally, the Group is now focusing on the activation of customers with deferred annuity policies (a pension related unit-linked insurance policy).

On 29 April 2015, the Court of Justice of the European Union (the "Court of Justice") rendered a long awaited judgement regarding questions referred to the Court of Justice by the District Court of Rotterdam (the "District Court") in a dispute that arose between Nationale-Nederlanden Levensverzekering Mij. N.V. ("NN") and a policyholder. The dispute concerned information that NN was obligated to provide to the policyholder. The questions referred to the Court of Justice included whether the provisions of the EU Third Life Assurance Directive precluded an insurance company, on the basis of general principles of domestic law such as the 'open and/or unwritten rules', from being required to send to policyholders certain information additional to that listed in the directive. In its judgement of 29 April 2015, the Court of Justice ruled that Member States may require information, additional to that listed in the directive, to be provided by an insurance company. However, if additional information is required, the basis must be such, in accordance with the principle of legal certainty, that it enables insurance companies to identify with sufficient foreseeability what additional information they must provide and which the policyholder may expect. When the basis of an obligation to provide additional information is formed by 'open and/or unwritten rules', it is for the court of the Member State to assess whether the 'open and/or unwritten rules' at issue meet the requirement that it is sufficiently foreseeable for insurers and what additional information they are required to provide.

The parties to the dispute that was heard by the District Court have reached a settlement. As a result, the assessment noted above will not now be made by this court. Therefore, such assessment will have to be made by a court in another individual case. It is to be expected that a decision by such court could be appealed and ultimately be brought before the Dutch Supreme Court (*Hoge Raad*) to rule on this matter in highest instance. Such proceedings could take several years and the outcome thereof is uncertain. Since there are many different types of unit-linked policies and the information provided to clients on these policies varies by customer, it is inherently difficult to predict the impact of any court ruling in an individual case (or a decision of the Court of Appeals or Dutch Supreme Court, if any) on the insurance business as a whole, including the impact on the Group's unit-linked portfolio. An adverse outcome of any such court ruling could have a material adverse effect on the Group's business, reputation, results of operations, solvency, financial condition and prospects.

Over time, the regulatory requirements and expectations of various stakeholders, including customers, regulators and the public at large, as well as standards and market practice, have developed and changed, increasing customer protection. As a result, policyholders and consumer protection organisations may in the future initiate proceedings against the Group alleging that products sold in the past fail to meet current requirements and expectations. In any such proceedings, it cannot be excluded that the relevant court, legislator, regulator, governmental authority or other decision-making body will apply current norms, requirements, expectations, standards and market practices, with a retroactive effect, to products sold, issued or advised on by the Group in the past. In a worst case scenario, any of the developments described above could be substantial for the Group and as a result may have a material adverse effect on the Group's business, reputation, results of operations, solvency, financial condition and prospects.

32. Changes in tax law may render the Group's products less attractive, or affect its own tax position.

Some of the Group's products are attractive to customers because they afford certain tax benefits. Individual life insurance policyholders can under certain conditions deduct their payments from their taxable income. Mortgage borrowers can under certain conditions also deduct their interest payments under residential mortgage loans. Interest payments on residential mortgage loans are only deductible if the mortgage loan is repaid in 30 years on (at least) an annuity (*annuïtaire*) basis. This limitation only applies to mortgage loans taken up after 1 January 2013. Changes to fiscal regulations could occur, particularly in relation to life insurance and mortgages. For example, the current maximum pensionable salary of EUR 100,000 and the voluntary net annuity for salaries above EUR 100,000 could both be decreased. Any changes in tax laws or the interpretation thereof or changes in rates of taxation could have a material adverse effect on the attractiveness of the Group's products and therefore its business, results of operations and financial condition.

Furthermore, the tax laws and regulations in the Netherlands, the jurisdiction of the Company's incorporation and the Company's current resident state for tax purposes, may be subject to change and there may be changes in enforcement of tax law. Additionally, European and other tax laws and regulations are complex and subject to varying interpretations. The Group cannot be sure that its interpretations are accurate or that the responsible tax authority agrees with its views. If the Group's tax positions are challenged by the tax authorities, the Group could incur additional tax liabilities, which could increase the Group's costs of operations and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Further changes in the tax laws of the jurisdictions in which the Group operates could arise as a result of the base erosion and profit shifting ("BEPS") project being undertaken by the Organisation for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries that encompass certain of the jurisdictions in which the Group operates, is undertaking studies and publishing action plans that include recommendations aimed at addressing what they believe are issues within tax systems that may lead to tax avoidance by companies. It is possible that the jurisdictions in which the Group does business could react to the BEPS initiative or their own concerns by enacting tax legislation that could adversely affect the Group or the Group's Shareholders through increasing the Group's tax liabilities. Further changes in the tax laws of the EU jurisdictions in which the Group operates could arise if the proposed directive against perceived tax avoidance practices that directly or indirectly affect the functioning of the internal market (2016/011 (CNS)) are adopted. On 28 January 2016, the European Commission published the proposed directive. The adoption of this directive is uncertain and it may be altered prior to its adoption.

In addition, the European Commission has published a proposed directive for a common financial transaction tax ("FTT") to be implemented in Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, (the "participating Member States" which would together constitute the "FTT-Zone"). As at the date of this Prospectus, it has not been proposed that the Netherlands become a participating Member State. Under the proposed directive, the FTT would have a broad scope and could, inter alia, levy a tax on transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the FTT-Zone. Recently, Estonia has withdrawn itself from the process. The proposed implementation date of 1 January 2016, has not been met. The remaining participating Member States have set a new deadline for implementation of June 2016. The FTT proposal remains subject to negotiation between the remaining participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may also decide to participate and/or other participating Member States may also decide to withdraw. Although it is not currently contemplated that the Netherlands would be a participating Member State, it is possible that the FTT, if it were to come into force, could have a negative effect on the Group's results of operations (including having a material impact on the operations of the Group's asset management business segment, which operates throughout Europe, including those countries that are within the contemplated FTT-Zone). However, the impact of the FTT on the Group's results of operations could be significantly greater if the Netherlands were to become a participating Member State. See further "*—Risks Related to the Offering and the Offer Securities—Dealings in the Offer Securities could be subject to a future European Financial Transactions Tax*".

33. Risks relating to the Dutch Intervention Act could affect the Group's Shareholders

In June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) came into force in the Netherlands, with retroactive effect from 20 January 2012. The Dutch Intervention Act grants far-reaching additional powers to DNB and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as the Group, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. The Dutch Intervention Act will be amended as a result of the entry into force of the EU Directive on the recovery and resolution of credit institutions and investments firms, which was approved by the European Parliament on 15 April 2014 and of which the final text was published on 12 June 2014, and the EU Regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, which was approved by the European Parliament on 15 July 2014 and will be applicable from 1 January 2016. The Dutch Intervention Act has been amended with the Financial Markets (Amendment) Act 2016 (*Wijzigingswet financiële markten 2016*). DNB now also has the possibility to use the transfer tool in respect of the parent company of an insurance company. In addition, the Dutch Minister of Finance has the right to directly expropriate claims (*vorderingsrechten*) of third parties in respect of the troubled institution. The Financial Markets (Amendment) Act 2016 entered into force on 1 January 2016. Under the Dutch Intervention Act, DNB and the Dutch Minister of Finance have substantial powers enabling them to deal with ailing Dutch banks and insurance companies prior to insolvency. The measures allow them to commence proceedings which may lead to (a) the transfer of all or part of the business (including, in the case of a bank, deposits) of an ailing bank or insurance company to a private sector purchaser, (b) the transfer of all or part of the business of an ailing bank or insurance company to a "bridge entity", (c) the transfer of the Ordinary Shares in an ailing bank or insurance company to a private sector purchaser or a "bridge entity", (d) immediate interventions by the Dutch Minister of Finance concerning an ailing bank or insurance company, and I public ownership (nationalisation) of (i) all or part of the business of an ailing bank or insurance company or (ii) all or part of the Ordinary Shares or other securities issued by an ailing bank or insurance company or its holding company. The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act and the expected amendments thereto or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including the Company, of its payment and other obligations under debt securities, or result in the expropriation, write-off, write-down, cancellation, or conversion of securities such as Ordinary Shares (including the Offer Shares) and debt obligations issued by the failing institution or its parent, including the Company.

Operational Risks

34. The Group is subject to operational risks, which can originate from inadequate or failed internal Group processes and systems, the conduct of Group personnel and third parties, and from external events that are beyond the Group's control.

The Group is subject to operational risks, which can originate from inadequate or failed internal Group processes and systems, the conduct of Group personnel and third parties (including Intermediaries, tied agents and other persons engaged by the Group to sell and distribute its products and to provide other services to the Group), and from external events that are beyond the Group's control. The Group's internal processes and systems may be inadequate or may otherwise fail to be fully effective due to the failure by Group personnel and third parties to comply with internal business policies or guidelines, and (unintentional) human error (including during transaction processing), which may result in, among others, the incorrect or incomplete storage of files, data and important information (including confidential customer information), inadequate documentation of contracts and mistakes in the settlement of claims (for instance, where a claim is incorrectly assessed as valid, or where the insured receives an amount in excess of that to which the insured is entitled under the relevant contract). From time to time, the Group may change its management of operational risk based on findings of shortcomings by its regulators. If such findings are not addressed to the relevant regulator's satisfaction, the Group may need to change or cease certain activities, which could limit the Group's ability to execute its strategy (for example, the management of third party assets). The Group recently received a report from DNB identifying material shortcomings in the management of operational risk. For further information see, "*—Regulatory and Litigation Risks—Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects*".

The Group has developed policies and procedures to identify, monitor and manage operational risks, and will continue to do so in the future. However, these policies and procedures may be inadequate, or may otherwise not be fully effective.

If any of these operational risks were to occur, it could result in, among others things, additional or increased costs, errors, fraud, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of existing customers, loss of potential customers and sales, loss of receivables, and harm to the Group's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Group's business, results of operations, and financial condition.

35. The occurrence of natural or man-made disasters may endanger the continuity of the Group's business operations and the security of the Group's employees.

The Group is exposed to various risks arising from natural disasters (including floods, fires and storms), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, and power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of the Group's business operations and the security of the Group's employees, and may adversely affect the Group's business, results of operations and financial condition by causing, among other things: disruptions of the Group's normal business operations due to property damage, loss of life, or disruption of public and private infrastructure, including information technology and communications services, and financial services.

If the Group's business continuity plans do not include effective contingencies for such events, recovery may not be realised in a timely manner or at all, which could result in significant disruptions in its operations. Any such disruptions could result in loss of customers, reduced sales volumes, damage to the Group's reputation and could materially adversely affect its competitive position, business, results of operations, reputation and financial condition for a substantial period of time.

36. The Group's operations support complex transactions and there is a risk that the information technology and communication systems do not function properly. Any failure of the Group's information technology or communications systems could have a material adverse effect on its business, results of operations and reputation.

The Group relies heavily on its operational processes and communication and information systems to conduct its business, including (without limitation) to determine the pricing of its products, its underwriting liabilities, the required level of provisions and the acceptable level of risk exposure, as well as to maintain accurate records and the confidentiality, integrity and availability of information and data, and to ensure compliance with its reporting obligations. The Group depends greatly on third-party providers of administration and information technology ("IT") services and other back office functions. The Group's Dutch operations have outsourced telecommunications services to KPN. The Group has in-sourced other parts of its Dutch information communication technology ("ICT") services, but it will consider outsourcing these services in the future.

Any interruption in the Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing, weaknesses or errors in internal controls over financial reporting, and regulatory noncompliance, all of which could also damage the Group's reputation. Furthermore, if the contractual arrangements put in place with any third-party providers are terminated, the Group may not find an alternative outsource provider on a timely basis or on equivalent terms. The occurrence of any of these events could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, even though back-up and recovery systems and contingency plans are in place and legacy removal and upgrading (quality improvement) of its systems are in process to update old systems and infrastructure, the Group cannot assure that interruptions, failures or breaches in security of these processes and systems will not occur or, if they do occur, that they will be adequately addressed. Any failure of the Group's information technology or communications systems could have a material adverse effect on its business, results of operations and reputation.

37. Increased exposure to cybercrime, cloud computing and data manipulation exposes the Group to financial and reputational risk.

The Group retains confidential information in its IT systems, and relies on industry standard commercial technologies to maintain the security of those systems. The Group's IT systems may be vulnerable to physical or electronic intrusions, viruses or other attacks, programming errors and similar disruptions. Anyone who is able to circumvent the Group's security measures and penetrate its IT systems could access, view, misappropriate, alter, or delete information in the systems, including personally identifiable customer information and proprietary business information. Login credentials of customers, Intermediaries and employees may be intercepted by cyber criminals, which could lead to abuse of information. The Group has noted a generally increasing number of attempted electronic intrusions.

The introduction of new technologies, private mobile devices, apps, a more open IT environment, online strategy and more flexible workforce leads to an increased exposure of Group data outside of the Group's organisation. The introduction of the "Bring Your Own Device" principle, which has increased the use of laptops, iPads and other mobile devices, has increased the likelihood of data loss because the Group has limited control over such environments. As a result of these developments, there is an increased risk that customer, Intermediary and employee data could be misused or misappropriated and private data could become vulnerable to loss and theft.

Any compromise of the security of the Group's IT systems could harm the Group's reputation, deter purchases of its products, subject the Group to heightened regulatory scrutiny or significant civil and criminal liability, and require that the Group incur significant technical, legal and other expenses, each of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

38. The Group may be exposed to failures in its risk management systems resulting in inadequate or failed processes or systems and human errors and fraud that could have a material adverse effect on its business, results of operations or financial condition.

Risk can manifest itself in many ways including business interruption, poor vendor performance, information systems malfunctions or failures, external (outsourced) archive with original documents not being accessible, regulatory breaches, human errors, employee misconduct and/or internal and external fraud, including fraudulent claims by customers, theft, corruption, insider trading and fraudulent actions relating to third-party investment products or investment managers. These events can potentially result in financial loss or harm to the Group's reputation and hinder its operational effectiveness. The Group invests substantial time and effort in its strategies and procedures for managing its risks, including credit risk, strategic risk, market risk, insurance risk, liquidity risk, operational risk and conduct of business risk. Notwithstanding these control measures, risk is part of the business environment in which the Group operates and is inherent in its size, as well as its geographic diversity and the scope of the Group's businesses. The Group's risk management activities cannot anticipate every economic and financial outcome or the specifics and timing of each risk and with respect to the risks that can be anticipated, the Group may not be able to manage such risks appropriately. If circumstances arise that the Group does not identify, anticipate or correctly evaluate, its risk management system may prove insufficient and the Group could suffer material unanticipated losses. In addition, from time to time, the Group may change its management of risk based on findings of shortcomings by its regulators. If such findings are not addressed to the relevant regulator's satisfaction, the Group may need to change or cease certain activities. The Group recently received a report from DNB identifying material shortcomings in DLL's management of market risk. For further information see, "*—Regulatory and Litigation Risks—Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects*".

The Group, as a financial institution, handles large amounts of money, customer data and privileged information and is therefore highly dependent on the honesty and integrity of its employees. In addition, regulations relating to financial abuse, including money laundering and funding of activities that could be considered to be terrorist activities, have become considerably stricter in many jurisdictions, with effects that are increasingly severe for financial institutions. Besides the start of a special risk awareness/risk culture programme in 2015, it is becoming increasingly important that the Group's employees adhere to the policies imposed by the Group. The Group faces a risk of loss due to errors, negligent behaviour, lack of knowledge, fraud or wilful violation of rules and regulations by its employees. Misconduct by employees could bind the Group to transactions that exceed authorised limits or present unacceptable risks, or hide from it unauthorised or unsuccessful activities, which, in either case, could result in unknown and unmanaged risks and losses. Employee misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious financial losses. Employee misconduct in any form could also result in significant damage to the Group's reputation, which could in turn hinder the Group's ability to retain existing customers or compete for new business. It is not always possible to deter and detect employee misconduct, and the precautions taken by the Group may not always be effective.

The Group is also exposed to risks associated with the management of investments which might lead to a material operational loss for one or more of its customers (including third-party customers, as well as the Group's life assurance and pensions business). For example, failure to define properly the investment remit applicable to customer assets as a result of unclear agreed guidelines or inaccurate recording of customer communications could lead to investments being made in breach of the mandate given by customers. Similarly, inadequate or failed internal Group policies, processes and systems could lead to poor investment decisions and poor asset allocation, the wrong investments being bought or sold or the incorrect monitoring of exposures as well as a possible erosion of the Group's reputation or liability to pay compensation. Failures of this nature could also lead to existing customers withdrawing funds and potential customers not granting investment mandates, which could have a material adverse effect on the Group's business, results of operations or financial condition.

Any failure in its risk management systems could materially adversely affect the Group's reputation, business, results of operations and financial condition.

39. The loss of key personnel, and the failure to attract and retain key personnel with appropriate qualifications and experience, could have a material adverse effect on the Group's business and impair its ability to implement its business strategy.

The success of the Group is dependent, among other things, on its ability to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, IT, risk management, underwriting, actuarial, Solvency II and other specialist skills and experience. The Group has recently experienced significant change in the composition of its senior management team. Competition for senior managers as well as personnel with these skills is intense among insurance companies and other financial institutions, and the Group may incur significant costs to attract and retain such personnel or may fail to do so. Its ability to attract and retain key personnel, in particular senior officers, experienced portfolio managers, mutual fund managers, sales executives, risk managers, financial reporting managers, actuaries and compliance officers, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent.

On 1 January 2014, the Dutch act on the revision and claw-back of bonuses and profit sharing arrangements came into force. This act applies to board members of Dutch public companies and Dutch financial institutions, such as insurers, investment firms and banks (including certain of the Group's Dutch insurance subsidiaries and the Bank), as well as to employees of those entities that are in charge of the day-to-day management of those entities. The rules allow for the possibility to (a) revise a bonus prior to payment, if payment of the bonus would be unacceptable pursuant to the criteria of "reasonableness and fairness" and (b) claw back (part of) a paid bonus, if payment took place on the basis of incorrect information on the fulfilment of the bonus targets or conditions for payment of the bonus. There are also specific provisions that apply in the event of a "change of control" of Dutch listed companies. See "*Supervision and Regulation—Dutch Regulatory Framework—General—Remuneration—Adjustments to variable remuneration*". These new rules may limit the Group's ability to attract and retain talented board members and senior employees in the Netherlands.

In 2014, the Supervisory Board determined that best practices required the appointment of a chief risk officer and decided to create such new position. During the shareholders' meeting in May 2015, the Supervisory Board formally approved and appointed Ms. Annemarie Mijer-Nienhuis as a member of the Executive Board as chief risk officer. At the beginning of 2015, a new chief executive officer was appointed. In August 2015, the chief financial officer of the Group resigned and a new chief financial officer was formally appointed on 16 March 2016 following the extraordinary general meeting held on 16 March 2016 (which became effective on 1 January 2016). A new chairman was appointed to the Supervisory Board in August 2015 with effect from 1 October 2015. The former chairman stepped down on the same date. On 1 February 2016, the Supervisory Board announced that a member of the Executive Board, Mr. Onno Verstegen, had decided, in amicable agreement with the Company, to leave the Company in the short term to pursue his career elsewhere. On 24 February 2016, the Supervisory Board announced that it planned to appoint Leon van Riet (1964) as member of the Executive Board. The Supervisory Board will inform shareholders of the planned appointment of Leon van Riet at the General Meeting to be held on 19 May 2016, which will be followed by his formal appointment by the Supervisory Board. The Supervisory Board intends to nominate two or three new members of the Supervisory Board to be appointed at the General Meeting. DNB and the AFM have already approved the planned appointment of one of them, who is a senior finance professional with board experience, over 25-years of experience in the UK Life business and a strong insurance and risk management background.

Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate the second person because of its focus on IT, E-commerce, digital marketing and big data. Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate a third person, a senior insurance professional with a broad international senior management experience and a strong senior financial, commercial, strategic and general management background. The Company intends to issue press releases if and when the nominations occur.

In light of the implementation of Solvency II, the recent dispositions of the Group's German life insurance business and Belgian banking business and the continuing changes to the Dutch insurance markets, the Group has revised its strategy. Further to the goals set it in its new strategy, "Closer to the customer", the Group decided to undertake a large restructuring affecting a number of the Group's entities. As part of this restructuring, commercial decisions that used to be centralised are being moved to a separate business unit. There is a risk that the restructuring process could impact morale at the Group and could result in the loss of knowledge and/or gaps in newly established processes.

The lack of continuity of senior management and the loss of important personnel within the Group, as well as any failure to attract and retain qualified personnel, could lead to deficiencies in internal controls and risk management and have an adverse impact on the implementation of the Group's strategic objectives and regulatory commitments. Any loss of important personnel within the Group or failure by the Group to retain or attract qualified personnel could have a material adverse effect on its business, results of operations or financial condition.

40. The Company's ability to pay dividends to Shareholders may be constrained.

The Company's ability to declare and pay dividends is subject to its profitability, as well as regulatory, legal and financial restrictions, and the Company's solvency position. See also *"—Regulatory and Litigation Risks—If the Group breaches or is at risk of breaching any of the regulatory capital requirements to which it is subject, the supervisory authorities may require the Group to take remedial actions, which could have a material adverse effect on the Group's business, results of operations and financial condition and could require it to raise additional capital"*.

In addition, the Company is a holding company and its ability to generate income and pay dividends is dependent on the ability of its operating subsidiaries to declare and pay dividends to the Company. Its ability to declare, and the ability of its operating subsidiaries to pay, dividends may be restricted to protect the security of policyholders, as applicable regulations may prohibit the payment of dividends in certain circumstances. For example, Delta Lloyd Bank Netherlands' ability to pay dividends in the future may be adversely affected by the application of certain requirements of the CRD IV framework (and relevant implementing measures within the Netherlands) that limit the distributable amount that financial institutions can pay out in the event they exceed prescribed buffer requirements.

The actual payment of future dividends, if any, and the amounts thereof, will or may depend on a number of factors including (but not limited to) the amount of distributable profits and reserves, regulatory capital position and Solvency II ratios, capital expenditure and investment plans, earnings, level of profitability, ratio of debt to equity, applicable restrictions on the payment of dividends under applicable laws, the level of dividends paid by other comparable listed companies doing business in the Netherlands and such other factors as the Executive Board and Supervisory Board may deem relevant from time to time. As a result, the Company's ability to pay dividends in the future may be limited or its dividend policy may change. If dividends are not paid in the future, capital appreciation, if any, of the Ordinary Shares would be investors' sole source of gains.

Furthermore, on 1 January 2014, Section 3: 97 of the Dutch Financial Supervision Act came into force in the Netherlands. This section provides that an insurance company is required to obtain a declaration of no objection from DNB if the insurance company wants to reduce its own funds by means of (a) repayment of capital or (b) pay-out of reserves, while the insurance company does not meet certain solvency requirements (i) at the date of distribution or (ii) when it is foreseeable that the insurance company will not meet these requirements in the coming 12 months. The rule applies, for instance, to dividend distributions and the repayment of subordinated loans. As a result, non-compliance or expected non-compliance with the Solvency II requirements may also adversely affect Group dividend distributions and the ability of the Group to repay subordinated loans.

For further details about dividend payments on the Ordinary Shares, see "*Dividends and Dividend Policy*" and "*Description of Share Capital and Corporate Structure—Profits and Distributions*".

Financial Reporting Risks

41. Changes in accounting standards or policies could have a material adverse effect on the Group's reported results of operations and shareholders' funds.

Since 2005, the Group's financial statements have been prepared and presented in accordance with IFRS. Any changes in IFRS requirements may have a significant impact on its reported results, financial condition and shareholders' funds. This includes the level and volatility of reported results of operations and shareholders' funds.

The International Accounting Standards Board ("IASB") published new standards, amendments and improvements that were not yet endorsed by the European Union on 31 December 2014. The Group could adopt these new standards, amendments and improvements early for its 2015 Financial Statements.

IFRS 9 Financial Instruments (issued on 24 July 2014; effective 1 January 2018) replaces the existing standard ("IAS 39") for the classification and measurement of financial assets, impairment of financial assets measured at amortised cost or at fair value through other comprehensive income and micro hedge accounting. How financial assets are measured depends on the business model and contractual characteristics of the financial assets for debt instruments including loans and receivables. Impairment rules are based on an expected loss model instead of the current incurred loss model. If and when the European Union endorses this standard, it may have a material effect on the Group's result and shareholders' funds, depending on choices made regarding classification (if allowed) and market conditions at the time of transition.

With regards to IFRS 4 (Phase II) Insurance Contracts, the IASB published a feedback statement in October 2015 on the comment letters received from its constituents with regard to the Exposure Draft that was published by the IASB in June 2013. A final standard for the changes in the accounting for insurance contracts is expected in 2016, and the accounting change is expected to become effective in 2020. The contemplated accounting change is expected to result in significant changes to the Group's consolidated financial statements. Further changes in accounting standards or policies, including as a result of choices made by the Group, could have a material adverse effect on the Group's reported results of operations and its reported financial condition.

42. There are significant differences in the valuation methods for assets and liabilities under IFRS and pursuant to Solvency II. The publication of materially different results due to the application of such different methods could have an impact on how the Ordinary Shares are valued and, in certain cases, could have a material adverse effect on the market price of the Ordinary Shares. The Group may choose to change its valuation methods, which could have an adverse effect on the Group's reported financial condition.

As a result of the implementation of Solvency II (which became effective on 1 January 2016), the Group has to comply with a regulatory framework that requires it to adopt new methods for valuing its assets and liabilities, which contain important differences with such methods under the IFRS accounting framework. In relation to asset calculations, under IFRS some assets are calculated on a fair value basis, but certain assets are valued on an amortised cost basis (e.g. as part of the mortgage portfolio). In contrast, under Solvency II the starting point is a Solvency II balance sheet where all assets and liabilities are valued on an economic basis.

In relation to liability calculations, under IFRS liabilities are calculated at market value based on the cash flows from the current portfolio, which are largely based on tariff assumptions and discounted based on the Collateralised AAA curve (which the Group defines as the greater of the DNB swap curve and Collateralised AAA curve, including UFR). Only for the Group's life insurance portfolio, which contains longevity risk, an additional longevity provision is formed based on best estimate assumptions and including a risk margin. Under Solvency II, liabilities are not calculated at market value, but as the present value of future best estimate cash flows plus a risk margin based on a 6% cost of capital ratio of the insurance risks. Discounting is done using the Solvency II curve, which is published by EIOPA and based on the euro swap curve minus a deduction for credit risk plus a volatility adjustment, including UFR. As such, there are two significant differences in the valuation between IFRS and Solvency II. First, the underlying cash flows used in the valuations and second, the difference in the curves used to discount the cash flows.

The Group is currently working with Ernst & Young Accountants LLP ("EY") (its auditors) to find an adequate way to align the valuation of insurance liabilities under IFRS with the prescribed valuation under Solvency II. In order to align underlying cash flows, liabilities under IFRS should be calculated using best estimate assumptions. The Group is already required to use best estimate assumptions under IFRS for purposes of a liability adequacy test ("LAT"). The purpose of a LAT is to verify whether an insurance entity has adequate provisioning for its insurance liabilities. If the test shows that the liabilities are insufficient, the total amount of the difference should be added to the entity's insurance liabilities. In order to align the discount rate used, the Solvency II curve should be substantiated as current market interest under IFRS. If the Group were to be able to apply the Solvency II curve under IFRS, there remains a risk that EIOPA adopts a different curve in the future that may not qualify under IFRS. It is currently uncertain whether the application of any of these contemplated changes to the valuation methods of assets and liabilities will be allowed under IFRS. Any such changes should be approved by the Group's accountants.

The Group currently manages the interest rate risk from a Solvency II perspective and uses operational result before tax and minority interest ("Operational Result") for assessing trends in the Group's operational performance, because the IFRS measures of performance are impacted by short-term external market impacts as a result of the calculation methods. The Group may choose to change the calculation methods, definitions, presentation or other elements of its reported financial metrics, or make other choices as far as permitted under IFRS regarding the presentation of its reported results of operations and reported financial condition, which could have an adverse effect on the Group's reported results of operations and financial condition. In addition, the publication of materially different results due to the application of different methods under IFRS and pursuant to Solvency II could have an impact on how the Ordinary Shares are valued and, in certain cases, could have a material adverse effect on the market price of the Ordinary Shares.

43. Defects and errors in the Group's processes, systems and reporting may cause internal and external miscommunication, faulty decision making and/or incorrect reporting to clients.

Defects and errors in the Group's financial and actuarial processes, systems and reporting, including both human and technical errors, could result in a late delivery of internal and/or external reports or reports with insufficient or inaccurate information.

In the Group's current financial reporting, business segments and legal entities do not always coincide. This increases the complexity of the financial reporting process, both within the business segments and legal entities, and at the Company level, which in turn increases the risk of financial reporting errors. Moreover, in recent years the frequency, quality, volume, and complexity of the type of financial information that must be processed by the Group's financial reporting systems has increased, in part due to more onerous regulatory requirements. For instance, new reporting metrics are significantly more complex than the financial information the Group's financial reporting systems processed in the past, and require a higher level of skill by the Group's personnel.

Defects and errors in the Group's financial processes, systems and reporting could lead to faulty decision making in respect of, for instance, product pricing and hedge decisions which could materially adversely affect its results of operations. In addition, such defects and errors may cause internal and external miscommunication (including incorrect public disclosure), and wrong reporting to customers. Misinforming customers and investors could lead to substantial claims and regulatory fines, increased regulatory scrutiny, reputational harm and increased administrative costs to remedy errors. In the event any such defects and errors occur, this could harm the Group's reputation and could materially adversely affect the Group's business, results of operations and financial condition and prospects.

Structural Risks

44. The Company is a holding company with no operations and relies on its operating subsidiaries to provide it with dividend payments and other funds to meet its financial obligations and to pay out dividends.

The Company is a holding company with no material, direct business operations. The principal assets of the Group are the equity interests it directly or indirectly holds in its operating subsidiaries As a result, the Company is dependent on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends. The ability of the Group's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory, legal or regulatory limitations.

The Group's subsidiary in Belgium, Delta Lloyd Life NV/SA ("Delta Lloyd Life Belgium"), is required by the NBB to establish an additional provision in its statutory financial statements prepared in accordance with Belgian GAAP for all insurance contracts offering a guaranteed rate of return that exceeds a reference rate by a certain percentage. Such reference rate is calculated once per year by the NBB and was 1.96% at the end of 2015.

As the NBB expects that insurance companies will increasingly come under pressure as a result of the low interest rate environment, since market rates have dropped well below the guaranteed yields on many life insurance contracts dating from previous years, the NBB has recommended, amongst others, that insurance companies should allocate most of their capital gains to cover their contractual obligations, preferably before the payment of dividends or profit shares (*source: NBB Financial Stability Report 2015*). Delta Lloyd Life Belgium has in the past been required to hold additional provisions for insurance contracts to comply with these requirements by the NBB and will be required to do so in its statutory financial statements for 2015. While an exemption to this requirement may become available in the future, there can be no assurance that Delta Lloyd Life Belgium will not be required to hold such additional provisions in the future, which could result in less distributable reserves being available and adversely affect Delta Lloyd Life Belgium's ability to make dividend distributions to the Company.

Additionally, as an equity investor in its subsidiaries, the Company's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that Delta Lloyd N.V. is recognised as a creditor of such subsidiaries, its claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to Delta Lloyd N.V.'s claims.

Risks Related to the Offering and the Offer Securities

45. The market price of the Ordinary Shares may fluctuate and may decline below the Issue Price.

The market price of the Ordinary Shares (including, for the avoidance of doubt, the Offer Shares) may fluctuate and may decline significantly in the future. Therefore, the Issue Price may not be indicative of the market price of the Ordinary Shares after the Offering has been completed. The market price of the Ordinary Shares may fluctuate, depending upon many factors beyond the Group's control. The market price of the Ordinary Shares may be adversely affected by, among others, the following factors: (i) the Group's actual or anticipated Operational Results, (ii) the Group's solvency ratio, (iii) the level of the Group's debt, (iv) future issues of Ordinary Shares or rights to acquire Ordinary Shares, (v) changes in, or the Group's failure to meet, securities analysts' expectations and (vi) general market conditions.

The market price of the Ordinary Shares is also subject to fluctuations in response to the Offering and the investor perception of the success and impact of the Offering. As a result of these and other factors, the Offer Shares may trade at market prices significantly below the Issue Price. The Company cannot provide any assurance that the market price of the Ordinary Shares will not decline. Should this occur after an Eligible Person has exercised his or her Rights, which exercise cannot be revoked or modified except as provided for in "*The Offering—Rights Offering—Exercise Period*", that Eligible Person will suffer an unrealised loss as a result. Moreover, the Company cannot ensure that an Eligible Person will, following the exercise of his or her Rights, be able to sell the Offer Shares at a price equal to or greater than the Issue Price.

46. The Company cannot assure that an active trading market for the Rights will develop and, if an active trading market does develop, the Rights may be subject to greater volatility than the Ordinary Shares. If the Offering fails completely or is terminated, the Rights will become worthless.

The Company intends to set a trading period for the Rights on Euronext in Amsterdam and Euronext in Brussels from 9:00 CET on 24 March 2016 until 17:40 CET on 6 April 2016. However, the Company cannot provide any assurance that an active trading market in the Rights will develop during that period. The Company does not intend to apply for the Rights to be traded on any exchange other than Euronext in Amsterdam and Euronext in Brussels. Because the price of the Rights depends on the market price of the Ordinary Shares, the existing volatility of the Ordinary Shares could magnify the volatility of the Rights. Also, the Company cannot assure investors that they will be able to sell their Rights or of the prices that they will be able to obtain for their Rights. In addition, the price at which the Rights may trade on Euronext in Amsterdam and Euronext in Brussels will be subject to the same risks which may affect the market price of Ordinary Shares as described in "*—The market price of the Ordinary Shares may fluctuate and may decline below the Issue Price*". If the Offering were to fail for whatever reason, the Rights would lapse and lose all value and subsequent transferees of Rights would lose the money they paid for their Rights without being able to buy Offer Shares with such Rights.

47. If Eligible Persons do not exercise their Rights in a proper and timely manner, they may not be able to subscribe for Offer Shares at the Issue Price and they may not receive any compensation for their unexercised Rights.

The Exercise Period for the Rights commences at 9:00 CET on 24 March 2016 and expires at 14:00 CET on 7 April 2016. Eligible Persons and, if applicable, financial intermediaries acting on their behalf, must act promptly to ensure that all required exercise instructions are actually received by the Subscription, Listing and Paying Agent before the expiration of the Exercise Period. If Eligible Persons or their financial intermediaries fail to correctly follow the procedures that apply to the exercise of their Rights, the Company may, depending on the circumstances, reject their exercise of Rights. If Eligible Persons fail to validly exercise their Rights, such Rights will continue to be reflected in their securities account only for the purpose of the payment of the Excess Amount (as defined in "*The Offering—Rump Offering—Excess Amount*"), if any. The Company cannot assure Eligible Persons, however, that there will be an Excess Amount for payment to holders of unexercised Rights.

In addition, if an Eligible Person neither exercises its Rights nor sells its unexercised Rights, the Joint Bookrunners, on behalf of the Underwriters, subject to the terms and conditions of the underwriting agreement dated 23 March 2016 between the Company and the Underwriters (the "Underwriting Agreement") have agreed to use their reasonable endeavours to procure subscribers for the Ordinary Shares underlying such Rights. There is no assurance that the Joint Bookrunners will be able to procure subscribers at a price per Ordinary Share that exceeds the sum of the Issue Price per Ordinary Share, the Offering expenses and any applicable taxes. The Joint Bookrunners may also cease their endeavour to procure subscribers at any time. Even if the Joint Bookrunners are able to procure subscribers for the Ordinary Shares underlying the Rights, the consideration a Shareholder who neither exercises Rights nor sells unexercised Rights will receive, may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Company's share capital which will result from the Offering. For additional information, see "*The Offering*".

48. Subject to certain exceptions, Shareholders in certain jurisdictions may not be able to participate in the Offering or elect to receive share dividends, and such Shareholders' ownership and voting interests in the Company's share capital will accordingly be diluted.

In the event of an increase in the Company's share capital, Shareholders will be generally entitled to certain pre-emption rights, unless these rights are excluded by a resolution of the General Meeting or of the Executive Board, if so designated by a resolution of the General Meeting or pursuant to the Articles of Association. However, the securities laws of certain jurisdictions may restrict the Company's ability to allow Shareholders to participate in offerings of its securities and to exercise pre-emption rights. Accordingly, Shareholders with registered addresses, or who are resident or located, in certain jurisdictions, including the United States, will not, subject to certain exceptions, be eligible to exercise Rights as part of the Offering. Such Shareholders may not receive any economic benefit of the Rights if the Joint Bookrunners are unable to procure subscribers for the Ordinary Shares underlying the Rights at a price that exceeds the sum of the Issue Price per Offer Share, the Offering expenses and any applicable taxes, in which case the Rights will lapse without compensation. As a result, Shareholders with registered addresses or who are resident or located in such jurisdictions, including the United States, may experience dilution of their ownership and voting interests in the Company's share capital.

In addition, the Company may in the future offer, from time to time, a stock dividend election to Shareholders, subject to applicable securities laws, in respect of future dividends. However, subject to certain exceptions, the Company may not permit Shareholders with registered addresses or who are resident or located in certain restricted jurisdictions, including the United States, to exercise this election. Accordingly, Shareholders in these restricted jurisdictions may be unable to receive dividends in the form of shares rather than cash and, as a result, may experience further dilution. See "*Selling and Transfer Restrictions*" for the restrictions that apply to the Offering.

49. An Eligible Person's failure to validly exercise his or her Rights by the end of the Exercise Period will result in such Rights being no longer exercisable, and any Eligible Person failing to exercise all of his or her Rights, however held, will suffer dilution of his or her percentage ownership of the Group's Ordinary Shares.

If an Eligible Person does not validly exercise his or her Rights by the end of the Exercise Period, as applicable, such Rights, including rights in excess of the nearest integral multiple of the subscription ratio, will no longer be exercisable.

To the extent that an Eligible Person does not validly exercise his or her Rights, however held, to subscribe for the Offer Shares, his or her proportionate ownership in the Company will be reduced, and the percentage of the Group's share capital represented by the shares such Eligible Person held prior to the Offering will, after the Offering, also be reduced accordingly.

If none of the existing Eligible Persons who were granted Rights exercise those Rights, the existing Eligible Persons' ownership will be diluted by approximately 49.9% as a result of Rump Shares sold in the context of the Rump Offering, which will be sold at the Rump Offering Price. Even if an Eligible Person elects to sell its Rights, or if it decides to hold its Rights through the end of the Exercise Period entitling an Eligible Person to receive any Excess Amount, the consideration it receives, if any, may not be sufficient to fully compensate such Eligible Person for the dilution of its percentage ownership of the Ordinary Shares that may be caused as a result of the Offering.

50. The Offer Shares will not be freely transferable in the United States.

Any Offer Shares offered and sold to investors located in the United States will be "restricted securities" (as defined in Rule 144 under the Securities Act) and such shares may not be reoffered, resold, pledged or otherwise transferred, except: (i) outside the United States in accordance with Rule 903 or Rule 904 under Regulation S; (ii) to a QIB in a transaction that is exempt from registration under the Securities Act and that meets the requirements of Rule 144A; (iii) pursuant to an effective registration statement under the Securities Act; (iv) in accordance with Rule 144 under the Securities Act, if available, or (v) in another transaction not requiring registration under the Securities Act; and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

51. Additional equity offerings or future sales of Ordinary Shares by the Group, or the possibility of such offerings or future sales, could have a material adverse effect on the price of the Ordinary Shares and interests of Shareholders.

In the future, the Group may issue additional equity. This may be done by issuing additional Ordinary Shares or other shares, issuing additional debt or equity securities convertible into Ordinary Shares or issuing additional rights to acquire these securities. Under the Underwriting Agreement, the Company has undertaken to each of the Underwriters that, without the prior written consent of the Global Coordinator, on behalf of the Underwriters, it will not, during the period ending 180 days after the Settlement Date of the Offering, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for such Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Ordinary Shares, whether any such transaction described in (1) or (2) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence does not apply upon the exercise of an option or warrant or the conversion of a security outstanding on the date of the Underwriting Agreement of which the Underwriters have been advised in writing and any issuances or payments under employee remuneration or incentive schemes as applicable in the Company.

However, any additional capital raised through the issue of additional Ordinary Shares may dilute a Shareholder's percentage ownership in the Company. Furthermore, any additional financing the Group may need may not be available on terms favourable to the Group or at all, which could adversely affect the Group's future plans. Any additional equity offerings by the Group, or the public perception that an offering may occur, could also have a material adverse effect on the trading price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

52. In case the Rump Offering is unsuccessful, the Underwriters may obtain a significant interest in Delta Lloyd and their interests may differ from the interests of other Shareholders.

If any Rights have not been exercised by the end of the Exercise Period, the Underwriters will, subject to certain conditions, use their reasonable efforts to procure subscribers for any Rump Shares underlying such unexercised Rights, if any, through a private placement to institutional investors in the Netherlands and certain other jurisdictions. If the Rump Offering is unsuccessful, any remaining Rump Shares will be acquired by the Underwriters, in accordance with the terms of the Underwriting Agreement. A significant number of Offer Shares not subscribed for in the Rights Offering or not paid for by such subscribers on the Settlement Date in combination with an unsuccessful Rump Offering may result in the (indirect) ownership and Shareholder control of Delta Lloyd to be concentrated with the Underwriters following completion of the Offering. These parties may then be able to exercise significant influence over corporate and other matters which require the approval of the General Meeting. Each of the Underwriters may vote in a way with which other Shareholders would not agree and this concentration of ownership could adversely affect the market price and trading volume of the Ordinary Shares or delay or prevent a change of control that could otherwise be beneficial to other Shareholders.

53. Under certain circumstances, the Underwriting Agreement can be terminated by the Joint Bookrunners, on behalf of the Underwriters, which may result in the Offering being withdrawn.

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions being met and the Underwriting Agreement not being terminated. These conditions include that the following conditions, among others, have not occurred prior to the closing of the Offering: a material adverse change in the general affairs, business, credit rating, condition (financial or otherwise), results of operations or prospects of the Group (taken as a whole); a material adverse event or calamity affecting the Netherlands; a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange or Euronext or a limitation on trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels; or breach of representations and warranties under the Underwriting Agreement. See also "*Plan of Distribution*". If any or all of the conditions are not met, or (if capable of waiver) waived by the Joint Bookrunners, on behalf of the Underwriters, or if certain circumstances occur prior to payment for and delivery of the Offer Shares, the Joint Bookrunners, on behalf of the Underwriters, will be allowed to terminate the Underwriting Agreement. In such event, the obligations of the Underwriters to subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date, and (ii) any Rump Shares not subscribed for in the Rump Offering or subscribed for but not paid for by such subscribers on the Settlement Date will lapse. In such event, the Offering will be withdrawn. Upon withdrawal of the Offering, (i) both the exercised and unexercised Rights will lapse without compensation to their holders, (ii) subscriptions for and allocations of Offer Shares that have been made will be disregarded, and (iii) any subscription payments made and received by the Company, the Underwriters or the Subscription, Listing and Paying Agent will be returned without interest or compensation.

54. If the Offering does not take place on the Settlement Date and the Offering is withdrawn, whether or not as a result of a termination of the Underwriting Agreement, the Group's credit ratings and funding costs could be adversely affected, and the price of the Group's Ordinary Shares could drop sharply. In either case, the Rights could become worthless.

If the Underwriting Agreement is terminated, the Offering will be cancelled and the Group will not receive the net proceeds expected to be generated by the Offering. The impact on the Group's credit rating and funding costs of any failure to receive the net proceeds of this Offering is uncertain, but would most likely be negative and could include an immediate downgrade of more than one notch. Any of these developments would likely have a material adverse effect on the Group's results of operations and financial condition and on the price of the Ordinary Shares.

In addition, if the Offering is cancelled, the Rights will expire without compensation and become worthless. Any subscription payments received by the Group will be returned without interest. Investors who have acquired any Rights on the secondary market will then bear a corresponding loss, because trading in Rights cannot be reversed if the Offering is terminated.

None of the Group, the Subscription, Listing and Paying Agent, the Global Coordinator and Joint Bookrunners or the Underwriters accept any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights. Neither Euronext Amsterdam nor Euronext Brussels accepts any responsibility or liability to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext in Amsterdam or Euronext in Brussels.

Moreover, the value of the Rights materially depends on the price of the Ordinary Shares. A drop in the price of the Ordinary Shares can therefore adversely affect the value of the Rights and could render them worthless. In such an event, investors who have acquired any Rights in the secondary market will bear a corresponding loss.

55. The holding and acquisition of the Ordinary Shares may require notifications to and approvals from competent authorities, which could impede the Company's future efforts to raise additional capital, discourage takeover attempts and impair the market value of the Ordinary Shares.

As certain of its subsidiaries are regulated entities, the Company is subject to certain regulations regarding changes in ownership or control and material changes in operations. For example, pursuant to the Dutch Financial Supervision Act, a declaration of no-objection (*verklaring van geen bezwaar*) by DNB is required for any holding, acquisition or increase of a direct or indirect interest of 10% or more of the Company's outstanding capital or voting rights. Failure to obtain a declaration of no-objection is an economic offence and could lead to criminal prosecution. In addition, such failure could lead to a cancellation of the relevant transaction in the Ordinary Shares and in certain circumstances could result in the annulment of resolutions that have been passed in a General Meeting. DNB has the power to make any declaration of no-objection subject to restrictions and requirements, including in respect of such matters as corporate governance, restructurings, mergers and acquisitions, financing and distributions. The Company may be subject to similar restrictions in other jurisdictions in which it operates. See also "*Supervision and Regulation—Dutch Regulatory Framework*" and "*Supervision and Regulation—Belgian Regulatory Framework*". As a result of these regulations, the Company's future efforts to raise additional capital may be delayed or prohibited.

Furthermore, such regulations could discourage a takeover attempt and so impair the ability of Shareholders to benefit from a change in control and realise any potential change of control premium. This may adversely affect the market price of the Ordinary Shares.

56. The Articles of Association and the call option in favour of Foundation Continuïteit Delta Lloyd contain protection provisions that may prevent or discourage takeover attempts that may be favourable to the Shareholders.

The Articles of Association contain protection provisions that may have the effect of preventing, discouraging or delaying a change of control. Stichting Continuïteit Delta Lloyd ("Foundation Continuïteit Delta Lloyd") has been granted a call option by the Company. Foundation Continuïteit Delta Lloyd has the right to exercise the call option at any time either wholly or partly. When exercising the call option, Foundation Continuïteit Delta Lloyd is entitled to acquire protective preference shares B ("Protective Preference Shares B") up to a maximum that is equal to 100% of the Company's issued share capital in the form of Ordinary Shares and preference shares A ("Preference Shares A") outstanding immediately prior to the exercise of the call option, minus one Ordinary Share, which will entitle it to up to 49.9% of the voting rights after the issuance of Protective Preference Shares B. See "*Description of Share Capital and Corporate Structure—Anti-Takeover Measures*".

The issuance of Protective Preference Shares B in this manner would cause substantial dilution to the voting power of any Shareholder, including a Shareholder attempting to gain control of the Company, and could therefore have the effect of preventing, discouraging or delaying a change of control that might otherwise be in the Shareholders' best interest or have otherwise resulted in an opportunity for Shareholders to sell the Ordinary Shares at a premium to the then-prevailing market price. This anti-takeover measure may have an adverse effect on the market price of the Ordinary Shares.

57. The rights and responsibilities of a Shareholder are governed by Dutch law and will differ in some respects from the rights and obligations of Shareholders under the laws of other jurisdictions and the shareholder rights under Dutch law may not be as clearly established as the rights of a Shareholder established under the laws of some other jurisdictions.

The Company is incorporated and exists under the laws of the Netherlands. Accordingly, the Company's corporate structure as well as the rights and obligations of the Shareholders may be different from the rights and obligations of shareholders of companies under the laws of other jurisdictions. The exercise of certain Shareholders' rights by Shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company organised under the laws of other jurisdictions. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

58. The ability of Shareholders in certain countries other than the Netherlands or Belgium, in particular in the United States, to bring an action against the Company or some or all of the members of the Executive Board and/or Supervisory Board may be limited under law.

All of the members of the Executive Board and Supervisory Board are resident of countries other than the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The Company's assets are predominantly located outside the United States. As a result, it may not be possible or it may be difficult for investors to effect service of process within the United States upon the Company or such persons, or to enforce against them in US courts a judgement obtained in such courts, including judgements predicated on the civil liability provisions of US Federal securities laws or the securities laws of any state or territory within the United States. See also "*Important Information—Enforcement of Civil Liabilities*".

59. Exchange rate fluctuations and controls could result in investors receiving less dividend payments than expected.

The Offer Securities will be priced in EUR and any dividends that the Company may declare and pay will be declared and paid in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("Investor's Currency") other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of the EUR or revaluation of the Investor's Currency and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (1) the Investor's Currency-equivalent of the dividends payable on the Ordinary Shares and (2) the Investor's Currency-equivalent market value of the Ordinary Shares. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less dividend payments than expected. Adverse movements in the value of the Investor's Currency against the EUR may also reduce the value of the Offer Securities.

60. If securities or industry analysts do not publish research reports about the Group's business or industry, or if such analysts change their recommendations regarding the Ordinary Shares adversely, the market price and trading volume of the Ordinary Shares could decline.

The trading market for the Ordinary Shares is influenced by the research reports that securities or industry analysts publish about the Group's business or industry. If one or more of the analysts who cover the Group's business or industry downgrade the Ordinary Shares the market price of the Ordinary Shares could decline. If one or more of these analysts ceases to cover the Group's business or industry or fails to regularly publish reports on it, the Group could lose visibility in the financial markets, which could cause the market price of the Ordinary Shares or trading volume to decline.

61. Dealings in the Offer Securities could be subject to a future European Financial Transactions Tax.

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has a very broad scope and could, if introduced in the form proposed on 14 February 2013, apply to certain dealings in the Offer Securities (including secondary market transactions) in certain circumstances. Under the 14 February 2013 proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Offer Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Recently, Estonia has withdrawn from the initiative. The remaining, participating Member States have set a new deadline for implementation of June 2016, as the proposed implementation date of 1 January 2016 was not met. The FTT proposal remains subject to negotiation between the remaining participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate and/or other participation Member States may also decide to withdraw. Prospective holders of the Offer Securities are advised to seek their own professional advice in relation to the FTT.

62. Possible FATCA withholding after 2018 may mean that certain "foreign passthru payments" made by a non-US financial institution are subject to 30% withholding.

Provisions under the US Internal Revenue Code of 1986, as amended, and Treasury regulations thereunder commonly referred to as "FATCA" impose 30% withholding on certain "foreign passthru payments" made by a non-US financial institution (such as the Company or a relevant intermediary) that has entered into an agreement with the US Internal Revenue Service (the "IRS," and such agreement, an "IRS Agreement") to perform certain diligence and reporting obligations with respect to the financial institution's US-owned accounts (each such non-US financial institution, a "Participating Foreign Financial Institution"). The United States has entered into intergovernmental agreements with the Netherlands and many other jurisdictions that modify the FATCA regime. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments", including whether such agreements may relieve financial institutions in such jurisdictions of any obligation to withhold on foreign passthru payments. The Company (or any relevant intermediary that is a Participating Foreign Financial Institution) may be required to withhold from payments on the Ordinary Shares to any non-US financial institution (including an intermediary through which a holder may hold shares) that is not a Participating Foreign Financial Institution and is not otherwise exempt from FATCA and other holders who do not provide sufficient identifying information, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Ordinary Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before 1 January 2019.

Prospective investors should consult their tax advisers regarding the consequences of FATCA, and any intergovernmental agreements or non-US legislation implementing FATCA, to their investment in the Company's Ordinary Shares.

IMPORTANT INFORMATION

Prospective investors are expressly advised that an investment in the Offer Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Furthermore, before making an investment decision with respect to investing in any Offer Shares, prospective investors should consult their own financial, legal and tax advisers and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of the prospective investor's personal circumstances.

Responsibility Statement

The Company accepts responsibility for the information contained in this Prospectus. The Company declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Prospective investors should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus.

Prospective investors should rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act, see "—*Supplement*" below. The Company does not undertake to update this Prospectus, unless required pursuant to Section 5:23 of the Dutch Financial Supervision Act and therefore prospective investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus.

None of the Company or the Underwriters, or any of their respective representatives, is making any representation to any offeree or subscriber of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or subscriber under the laws applicable to such offeree or subscriber. Prior to making any decision as to whether to purchase the Offer Shares, prospective investors should read this Prospectus. Investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. Each prospective investor should consult his own lawyer, financial adviser or tax adviser for legal, financial or tax advice. In making an investment decision, prospective investors must rely on their own examination of the Company, the Offer Shares and the terms of the Offering, including the merits and risks involved.

Investors who subscribe for Ordinary Shares in the Offering will be deemed to have acknowledged that: (i) they have not relied on any of the Underwriters or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Group or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by any of the Company, the members of its Supervisory Board and Executive Board or any of the Underwriters.

No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Underwriters, or any of their respective affiliates. Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Group's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

No representation or warranty, express or implied, is made by or on behalf of the Underwriters, the Subscription, Listing and Paying Agent or any of their respective affiliates or any of their respective directors, officers or employees or any other person, as to the accuracy, completeness or fairness of the information contained in this Prospectus and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters the Subscription, Listing and Paying Agent or any of their respective affiliates whether as to the past or future.

None of the Underwriters and the Subscription, Listing and Paying Agent, each in any of their respective capacities in connection with the Offering, accepts any responsibility whatsoever for the contents, accuracy or completeness of this Prospectus nor for any other statements made or purported to be made by either itself or on its behalf in connection with the Company, the Offering, the Rights or the Offer Shares (including, for the avoidance of doubt, the Rump Shares). Accordingly, the Underwriters and the Subscription, Listing and Paying Agent disclaim to the fullest extent possible permitted by applicable law, all and any liability, whether arising in tort or contract or otherwise which they might otherwise be found to have in respect of this Prospectus and/or any such statement.

The Underwriters are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective customers in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

Although the Underwriters and the Subscription, Listing and Paying Agent are party to various agreements pertaining to the Offering and each of the Underwriters and the Subscription, Listing and Paying Agent has or might enter into a financing arrangement with the Company, this should not be considered as a recommendation by any of them to invest in the Rights or the Offer Shares.

Potential Conflicts of Interest

Certain of the Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or its affiliates, in respect of which they have received, and may in the future receive, customary fees and commissions. In addition, the Company has a joint venture with ABN AMRO Bank N.V. As a result of these transactions and relationships, these mentioned parties may have interests that may not be aligned, or could possibly conflict with the interests of investors or with the interests of the Company. See also "*Plan of Distribution*".

Presentation of Financial and Other Information

The financial information in this Prospectus has been extracted from the Group's audited consolidated financial statements at and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 and has been prepared in accordance with IFRS and audited by EY unless otherwise indicated. See "*—Non-IFRS Information"* and *"—Comparability of Information*" below.

Non-IFRS Information

The Group presents certain non-IFRS financial information that is not prepared in accordance with IFRS, including tangible shareholders' funds, New Business Margin ("NBM"), Value New Business ("VNB"), NAPI, combined ratio ("COR"), Operational Result, Net Operational Result, Double Leverage and Net Cash Position of the Company for the years ended 31 December 2015, 2014 and 2013. The Group's Management believes these measures provide useful information to investors when read alongside the Group's IFRS results.

Tangible shareholders' funds is unaudited and calculated as the difference between shareholders' funds and intangible assets (i.e., goodwill) and also takes into account the Group's 51% stake in Delta Lloyd ABN AMRO Verzekeringen.

NBM is unaudited and is used by management as a key performance indicator of its life business segment. NBM is defined as VNB divided by the present value of new business premiums ("PVNBP"), whereby the PVNBP is calculated using methodology and assumptions consistent with those used in the VNB. VNB is the value of the expected future profits arising from new business written during the year and includes all of ABN AMRO Levensverzekering N.V.'s new business (and not 51% thereof, in line with the Group's share of ownership). New business is valued with market consistent stochastic valuation techniques set by the Group. The methodology includes a cost of non-hedgeable risk (uncertainty margin) based on economic capital at Group level and the frictional costs are based on Solvency I capital requirements (100%). VNB is determined at the end of the reporting quarter, using point of sale Solvency II yield curves, including a volatility adjustment as of 2015, and expected excess investment returns between point of sale and the end of the period. Note that VNB in the year ended 31 December 2014 was based on a liquidity premium as opposed to a volatility adjustment. VNB is calculated based on the economic assumptions as at the start of the applicable quarter. Exceptions are immediate annuities, the VNB of which is calculated based on economic assumptions as at the start of the month of sale, large group single premium contracts that are priced at actual market rates and for the Belgian business, weighted average economic assumptions during the year are applied. VNB is calculated based on the non-economic assumptions at a best-estimate level as at the end of the applicable reporting period and includes look-through benefits from Delta Lloyd Asset Management and corporate overhead expenses.

NAPI is unaudited and consists of new annual premiums and 10% of the new single premiums received during the period.

The COR is unaudited and is the sum of incurred losses and expenses divided by net earned premiums. Run-off activities, terminated contracts and market interest movements are excluded.

Operational Result and Net Operational Result are derived from the audited consolidated financial statements and described in "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

Double Leverage is unaudited and measures the extent to which subsidiaries' equity is financed with debt by the Company. Double Leverage is calculated by dividing the equity value of the subsidiaries (comprised of shareholders' funds and perpetual subordinated intercompany debt from the Company) by the consolidated equity value of the company (comprised of shareholders' funds and perpetual subordinated external debt of the Company).

Net Cash Position of the Company is unaudited and represents positive or negative net cash balance of the Company (i.e. includes cash less current debt outstanding (debt due within the next 12 months)).

The Prospectus also refers to Net Capital Generation, which is unaudited and not a measure of financial performance under IFRS. Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The principal drivers of changes to Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin ("Net Capital Generation").

The Group's Net Capital Generation comprises the following elements:

- *New business life,* which is net of the capital required to support that new business, which is expected to be principally driven by the level of market competition and the continuing shift of defined benefit to defined contribution products, which represents the expected value based on Solvency II methodology for both new policies and renewals of existing policies grouped together in the reporting period.

- *Expected return in excess of the Solvency II curve*, which represents the difference between the expected market value at the end of a particular period and market value at the start of a particular period of the Solvency II available capital, based on the assets and liabilities at the start of a particular period.

  The expected market value at the end of a particular period is calculated assuming that actual experience during the period follows best estimate assumptions and assumes no new business or change to assumptions, or any capital movements.

  Total expected contribution is comprised of the:
  - expected cash flows over the period;
  - expected risk-free investment returns over the period (i.e. pro-rata one-year reference rate); and
  - additional expected contribution should real-world investment returns be earned over the period.

  The additional expected contribution, due to real world investment returns, can be calculated by multiplying the market value at the start of a particular period with the real world spread for the respective asset classes in the asset portfolio. For instance, real world investment return assumptions related to equity, property, and credit spreads for fixed income and mortgages.

- *Movements in required capital*, which is defined as the change in Solvency II required capital arising from the run-off of the existing business and the required capital impact of new business in the reporting period. Over time the movement of required capital is expected to have a positive contribution, as the Solvency II required capital is expected to reduce in line with the run-off of the existing business.

- *Movement of the risk margin*, which is defined as the release of 'Solvency II prudency margin' in technical provisions of the Life business as existing business runs off during the reporting period.

- *Technical results (excluding life insurance)*, equal to the technical results of the general insurance and asset management segments, plus dividends received from the Delta Lloyd Bank Netherlands, less the operational and non-operational expenses of the Company, which are expected to be influenced by the level of market competition and the success of the Group's cost initiatives.
- The amortization of the UFR benefit (i.e., the expected impact of unwinding the available capital effect of the UFR, if interest rates stay at current levels), which is expected to have a significant negative effect on Net Capital Generation and be driven principally by prevailing interest rate levels.

  Accordingly, Net Capital Generation cannot be viewed as a replacement or basis for establishing the Group's IFRS net profit result or underlying IFRS earnings for the current financial period or subsequent financial periods.

Management's target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. Management intends to assess the need to refine the definition of Net Capital Generation in light of the Solvency II rules on capital. Net Capital Generation cannot be viewed as a replacement or basis for establishing the Group's IFRS net profit result or underlying IFRS earnings for the current financial period or subsequent financial periods.

Disposals of Operations

During the year ended 31 December 2015, the Group finalised the sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland A.G. ("Delta Lloyd Deutschland") and disposed of the related assets and liabilities. As a result, the Group's consolidated financial statements as at and for the year ended 31 December 2015 (the "2015 Financial Statements") reflect the disposal of these businesses. For further information, see "*Operating and Financial Review—Summary of the Business—Recent Developments Affecting Results of Operations*". In the consolidated income statement for the year ended 31 December 2015 included in the 2015 Financial Statements, Delta Lloyd Deutschland was classified as discontinued operations and Delta Lloyd Bank Belgium was included until July of that year. In the comparative figures in the consolidated financial statements as at and for the year ended 31 December 2014 contained in the 2015 Financial Statements (the "2014 Financial Information"), Delta Lloyd Deutschland was classified as discontinued operations and Delta Lloyd Bank Belgium was included for the full year.

The comparative figures in the consolidated financial statements as at and for the year ended 31 December 2013 contained in the Group's consolidated financial statements as at and for the year ended 31 December 2014 (the "2014 Financial Statements") were restated to reflect such operations as held for sale and discontinued operations (as well as to give effect to the accounting changes described below) (the "Restated 2013 Financial Information").

The segment information as at and for the years ended 31 December 2015 and 2014 included in the 2015 Financial Statements does not include Delta Lloyd Deutschland or Delta Lloyd Bank Belgium and the figures as at and for the year ended 31 December 2014 have been restated to reflect this (the "Restated 2014 Segment Financial Information"), whereas the segment information as at and for the year ended 31 December 2013 has not been restated and fully consolidates and includes the disposed businesses. See "*—Comparability of Information*" below.

During the year ended 31 December 2015, the group also sold Delta Lloyd Vastgoed Kantoren B.V., real estate owned by Delta Lloyd Vastgoed Winkels B.V. and Delta Lloyd Life B.V., assets held by Delta Lloyd Dutch Property Fund C.V. and several equity securities in private equity investments and hedge funds. As at 31 December 2015, the Group retains one private equity security as held for sale and the sale of this security is expected to be finalised during the first quarter of 2016.

Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals

The comparative figures as at and for the year ended 31 December 2013 in the 2014 Financial Statements were restated to reflect the following changes, in addition to the changes discussed above under "*—Disposals of Operations*":

- IFRS 10 'Consolidated Financial Statements' became mandatory in the EU as from 1 January 2014. The application of this new standard impacted the financial position and results of operations of the Group as several investment funds were consolidated due to the change in accounting policy. The consolidation of investment funds led to an increase on the statement of financial position total due to the third-party interests amounting to EUR 3,790.0 million at 31 December 2013. In addition, the adoption of this new standard resulted in an increase in profit on the income statement by

EUR 19.5 million. The Group assessed the IFRS 10 impact analyses of its operations and assessed and tested the design and operating effectiveness of the controls over the consolidation process of the investment funds, as well as the design and operating effectiveness of the controls over the related disclosures.

- A change in accounting policy for longer duration technical provisions and related assets. The discount rate of a portion of the income insurance portfolio of Delta Lloyd Schadeverzekering and ABN AMRO Schadeverzekering changed from a fixed interest rate to a market interest rate. As a result, the Group's general insurance portfolios with long-term claim liabilities have since been measured at market interest rates. To mitigate the accounting mismatch that would occur as a result of this adjustment, some of the investment portfolios (namely, debt securities) have been reclassified from the 'available for sale' category to the 'other than trading' category.

For additional information, see note 4.1.6.2 "*Financial impact of changes in accounting policies and reclassifications*" to the Group's 2015 Financial Statements incorporated by reference herein.

Comparability of Information

The financial information, including the segment results, in the discussion of the results of operations of the Group under "*Operating and Financial Review*" included in the 2015 Financial Statements reflects the disposals of operations and the restatements discussed above. As a result of these disposals of operations and restatements, the segment data at and for the years ended 31 December 2015 and 2014 included in the 2015 Financial Statements are not comparable to the Group's results of operations for its segments included in the 2014 Financial Statements and the Restated 2013 Financial Information.

The financial information in the discussion of the results of operations of the Group under "*Operating and Financial Review*" for the years ended 31 December 2015, 2014 and 2013 also reflects the disposals of operations and the restatements as included in the Restated 2014 Segment Financial Information and Restated 2013 Financial Information. For additional information, the Group has also incorporated by reference in this Prospectus the 2014 Financial Statements and the unrestated consolidated financial statements as at and for the year ended 31 December 2013, as included in the Delta Lloyd Annual Report 2014 (the "Original 2014 Financial Statements") and Delta Lloyd Annual Report 2013 (the "Original 2013 Financial Statements"), respectively. As a result of the disposals of operations and the restatements which took place in 2015 and 2014, the Restated 2014 Segment Financial Information and Restated 2013 Financial Information is not fully comparable with the Original 2014 Financial Statements and Original 2013 Financial Statements, respectively.

The Original 2014 Financial Statements and Original 2013 Financial Statements are no longer current as IFRS requires the effects of the changed accounting policies described above to be reflected on a retrospective basis. The Restated 2014 Segment Financial Information and Restated 2013 Financial Information as disclosed in the Delta Lloyd Annual Report 2015 and Delta Lloyd Annual Report 2014, respectively, have been provided for the purposes of the discussion under "*Operating and Financial Review-Results of Operations for the Years Ended 31 December 2015, 2014 and 2013*".

Reference should be made to the Restated 2014 Segment Financial Information and Restated 2013 Financial Information for financial information for the years ended 31 December 2014 and 2013.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in the text, or a column, or a row of tables contained in this Prospectus may not conform exactly to the total figure given for that text, column, or row.

Documents Incorporated by Reference

Certain information that the Group has made publicly available has been incorporated by reference in this Prospectus, which means that the Group has disclosed important information by referring to those documents. The information incorporated by reference is an important part of this Prospectus and should be reviewed before deciding whether or not to participate in the Rights Offering.

The following documents, or sections thereof, have been incorporated by reference in, and form a part of, this Prospectus:

- Unofficial English translation and the original Dutch version of the articles of association of the Company, at the date of this Prospectus;
- 2015 Financial Statements, including the audit report of EY, which are on pages 65 to 230 of the English language Delta Lloyd Annual Report 2015 (excluding any documents incorporated by reference in such pages), which include the Restated 2014 Segment Financial Information;
- 2014 Financial Statements, including the audit report of EY, which are on pages 122 to 287 of the English language Delta Lloyd Annual Report 2014 (excluding any documents incorporated by reference in such pages), which include the Restated 2013 Financial Information; and
- Original 2013 Financial Statements, including the audit report of EY, which are on pages 172 to 379 of the English language Delta Lloyd Annual Report 2013 (excluding any documents incorporated by reference in such pages).

Until 31 December 2015, the Group reported its solvency ratios based on the Insurance Group Directive ("IGD"), using the Solvency I framework. Since 1 January 2016, the Group has been required to satisfy new solvency capital requirements under Solvency II. References to Solvency I ratios in documents incorporated into the Prospectus and in the Prospectus itself are therefore only of historic relevance and should not be used for comparison purposes.

These documents (or copies thereof) may be obtained free of charge from the Group's website (http://www.deltalloyd.com). For the purposes of the Rights Offering, only the above sections of the Delta Lloyd Annual Reports for 2015, 2014 and 2013 are incorporated by reference. Non-incorporated parts of the documents listed above are either not relevant for the investor, or covered elsewhere in this Prospectus.

Prospective investors should rely only on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Group's website (http://www.deltalloyd.com) or of websites accessible from hyperlinks on the Group's website, form part of, or are incorporated by reference into, this Prospectus.

Supplement

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Offer Securities arises or is noted before the final closing of the Offering, a supplement to this Prospectus will be published and the Offering will be extended, if so required by the Prospectus Directive or the Dutch Financial Supervision Act.

Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication, or otherwise), be deemed to modify or supersede statements contained in this Prospectus, or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

An Eligible Person (as defined in "*Summary*" and "S*elling and Transfer Restrictions*") which has validly exercised his or her Rights may revoke his exercise instructions within the time limits and in the manner set out in any such supplement to this Prospectus (which shall not be shorter than two business days after publication of any such supplement to this Prospectus).

Currency

All references in this Prospectus to "EUR", "euro", or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "US dollar", "US dollars" or "USD" are to the lawful currency of the United States.

Ratings

The credit ratings in this Prospectus are issued by Fitch Ratings Limited and S&P, which are established in the European Union and are registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended and supplemented.

Forward-Looking Statements

Certain statements contained in this Prospectus that are not historical facts are "forward-looking statements". This Prospectus contains forward-looking statements in *"Summary",* "*Risk Factors*", "*Business*" and "*Operating and Financial Review*", which are based on the Company's beliefs and projections and on information currently available to the Company. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. 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", "future action", "annualised", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company 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 the Company and its subsidiaries. Such risks, uncertainties and other important factors include, among others:

- changes in the financial markets and general economic conditions;
- 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 it operates;
- the adoption of new, or changes to existing, laws and regulation, including Solvency II;
- catastrophes and terrorist-related events;
- default by third parties owing money, securities or other assets, or their financial obligations;
- equity market losses;
- long- and/or short-term interest rate volatility;
- illiquidity of certain investment assets;
- flaws in underwriting assumptions, pricing and/or claims reserves;
- the termination of, or changes to, relationships with principal intermediaries or partnerships;
- the unavailability and unaffordability of reinsurance;
- flaws in its underwriting, operating controls or IT systems, or a failure to prevent fraud;
- a downgrade (or potential downgrade) of its credit ratings; and
- the outcome of pending, threatened or future litigation or investigation,

or other factors referred to in this Prospectus. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of operations could differ materially from those described herein as anticipated, believed, estimated or expected. The Company urges investors to read the sections of this Prospectus entitled *"Summary"*, "*Risk Factors*", "*Business*" and "*Operating and Financial Review*" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates.

Enforcement of Civil Liabilities

The ability of Shareholders in certain countries other than the Netherlands or Belgium, in particular in the United States, to bring an action against the Company may be limited under applicable law. The Company is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands and has its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands.

All of the members of the Executive Board and Supervisory Board are resident of countries other than the United States. All or a substantial proportion of the assets of these individuals are located outside the United States. The Company's assets are predominantly located outside the United States. As a result, it may not be possible or it may be difficult for investors to effect service of process within the United States upon the Company or such persons, or to enforce against them in US courts a judgement obtained in such courts, including judgements predicated on the civil liability provisions of US Federal securities laws or the securities laws of any state or territory within the United States. In addition, it is not clear whether a competent Dutch court would impose civil liability on the Company, members of the Executive Board or Supervisory Board, senior management or any of the experts named in this Prospectus in an original action based solely upon the federal securities laws of the United States.

The United States and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Accordingly, a judgement rendered by a court in the United States will not be recognised and enforced by the Dutch courts. However, if a person has obtained a final and conclusive judgement for the payment of money rendered by a court in the United States that is enforceable in the United States and files his claim with the competent Dutch court, the Dutch court will generally give binding effect to such foreign judgement insofar as it finds that (i) the jurisdiction of the US court has been based on a ground of jurisdiction that is generally acceptable according to international standards: (ii) the judgement by the US court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*), or (iii) the judgement by the US court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and except to the extent that the foreign judgement contravenes Dutch public policy (*openbare orde*).

Market and Industry Data

Market data and other statistical information used in this Prospectus is based on a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an "Independent Source"). These include AM Jaarboek, Assuralia, DNB, Dutch Association of Insurers (*Verbond van Verzekeraars*) (including Centrum voor Verzekeringsstatistiek, "CVS"), Statistics Netherlands (*Centraal Bureau voor de Statistiek*) ("CBS"), Fitch Ratings, the ECB, Moody's, Swiss Re, S&P, EIOPA, Gfk, Coöperatieve Rabobank U.A. (Rabobank), European Commission ("EC"), European Fund and Asset Management Association ("EFAMA"), PricewaterhouseCoopers ("PwC"), Roland Berger, AF Advisors, KPMG, Lipper FMI, the NBB, TOF, IG&H, Dutch Ministry of Finance, Blue Sky Group, European Banking Federation, Balans & Vooruitzichten, Handboek voor Pensioenfondsen, Pensioen Bestuur & Management, Morningstar, the land register (*het kadaster*) and Insurance Europe.

The Company has included the most recent available information from Independent Sources. However, in some cases market data and other statistical information are currently only available up to 2013. Some data are based on good faith estimates of the Company, which are derived in part from a review of internal surveys of the Company, as well as the Independent Sources. Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although the Company believes the Independent Sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy and completeness.

In this Prospectus, the Company makes certain statements regarding its competitive and market position. The Company believes these statements to be true, based on market data, industry statistics and publicly available information. All assumptions, estimates and expectations of the Company underlying its statements have been based on careful analysis and are honestly held. The Company cannot guarantee that a third-party using different methods to assemble, analyse, or compute market data, would obtain or generate the same results.

The information in this Prospectus that has been sourced from a third party has been accurately reproduced and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has not independently verified these data or determined the reasonableness of the assumptions used by their compilers, nor have data from independent sources been audited in any manner.

DIVIDENDS AND DIVIDEND POLICY

General

The Company may only make distributions to Shareholders if the Company's equity exceeds the sum of the paid-in and called-up share capital plus the reserves required to be maintained by Dutch law or by the Articles of Association. Distribution of profit takes place after adoption of the financial statements confirming that distribution is permitted, taking into account all laws and regulations, including the capital requirements of DNB. See "*Risk Factors—Operational Risks—The Company's ability to pay dividends to Shareholders may be constrained*". The General Meeting may resolve, upon a proposal of the Executive Board and approved by the Supervisory Board, that an Ordinary Share dividend be paid out wholly or partly in shares. The Executive Board may resolve to pay out an interim dividend on the Ordinary Shares, subject to the approval of the Supervisory Board. See "*Description of Share Capital and Corporate Structure—Profits and Distributions*".

Dividend History

The following table sets out details of dividends paid on the then outstanding Ordinary Shares in respect of the past five years. It shows the aggregate amount paid and the amount paid per Ordinary Share.

Year ended 31 December	Aggregate dividend amount paid (EUR)	Aggregate amount paid cash (EUR)	Aggregate amount stock dividend (no.)	Per Ordinary Share (EUR)
2011	173,558,063	132,504,357	3,892,022	1.03
2012	179,121,561	73,239,071	8,213,554	1.03
2013	193,155,518	70,877,584	7,530,755	1.03
2014	214,919,385	86,976,928	7,950,359	1.03
2015	93,602,990	50,194,786	4,687,206	0.42

The Preference Shares A carry a fixed dividend of 2.76%, see also "*Major Shareholders and Related Party Transactions—Related Party Transactions—Long-term loan with Fonds NutsOhra*". No Protective Preference Shares B have been issued.

Dividend Policy

As part of the Capital Plan, the Company introduced an updated dividend policy in November 2015, which was a discussion item at the extraordinary general meeting on 16 March 2016. The Executive Board aims to deliver a stable annual dividend to Shareholders, subject to its ladder of intervention (see *"Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II"*) and the approval by the shareholder meeting. In addition, the Executive Board expects to take into account all relevant factors in determining whether to recommend a dividend, including the Group's then current and anticipated liquidity and regulatory requirements.

To the extent paying a dividend on this basis would not be possible, management will consider various possible capital management alternatives. Such actions may include:

- capital-raising activities (for example issuing non-equity Tier 1 or Tier 2 capital instruments);
- hedging or other alternative strategies to reduce net exposure to key risks; and
- other measures to reduce its capital requirement (such as reducing volumes of products with higher capital strain).

Such alternative measures would only be taken after due consideration of the impact of such actions on the Group's long-term profitability and business franchise.

Manner and Time of Dividend Payments

Payment of any cash dividend on Ordinary Shares will be made in euro.

At the proposal of the Executive Board, and with the approval of the Supervisory Board, the General Meeting may decide that all or part of any distribution on the Ordinary Shares may be paid in Shares instead of cash. For interim dividends, the Executive Board has this authority, with the approval of the Supervisory Board. The Company intends to manage the dilutive effect of the stock dividend on earnings per Ordinary Share by repurchasing Ordinary Shares in the market. The Company may alter the attractiveness of a cash versus stock dividend. The value of the stock dividend (dividend in shares) will be charged to the Ordinary Share premium. The Company's standard policy is to pay an interim dividend and a final dividend.

Dividend payments are generally subject to withholding tax in the Netherlands. The Company will pay any final dividend within four weeks after adoption of the annual accounts, unless the General Meeting determines another date at the proposal of the Executive Board. Any interim dividend will be paid following the publication of the half-year results. Different payment dates may be designated for the Ordinary Shares, the Preference Shares A and the Protective Preference Shares B. Claims for dividends shall lapse upon the expiry of five years after the date such dividends were released for payment. Any dividend that is not collected within this period reverts to the Company.

Targeted dividend for the financial year 2016

For the financial year 2016, the Group is targeting a dividend of EUR 130 million. The targeted amount for 2016 is higher than the aggregate amount of the cash dividend payments in each of 2014, 2013 and 2012 (2014: EUR 87 million, 2013: EUR 71 million, 2012: EUR 73 million). Due to dilution resulting from the Offering, however, the targeted dividend for 2016 would be lower than in those years on a per share basis.

USE OF PROCEEDS AND REASONS FOR THE OFFERING

Use of Proceeds

The Company expects the net proceeds of the Offering (after underwriter's commissions and estimated transaction related expense) to be approximately EUR 627.4 million. The Offering is a critical component of the Group's Capital Plan and the receipt of gross proceeds is expected to add approximately 25% points to the Group's Solvency II ratio (SF), see "*Business–Capital Plan*". The Company intends to use the net proceeds to strengthen its capital base and its net cash position, thereby supporting its financial position and the execution of its strategy as it transitions into the new Solvency II regime, which became effective on 1 January 2016.

The Company expects the net proceeds of the Offering, together with funds received by the Company from the intended sale of Van Lanschot and working capital optimisation, will give it a cash buffer to better position it to be able to pay cash dividends and recapitalise other parts of the Group as needed (the ability to provide such support underpins the ability to recognise LAC DT in the Group's Solvency II ratio (SF)). In addition, the Company expects the net proceeds of the Offering to reduce its reliance on its commercial paper programme and to enable it to repay long term debt, potentially including subordinated debt, as it decides desirable in the future. The Company targets a cash buffer of 150% of its estimated annual finance and operational expenses, target dividend payout amount, Group recapitalisation reserve and LAC DT recovery plan.

Rationale for the Offering

The Group does not currently operate in its Solvency II ratio (SF) target range of 140% to 180% (as of 31 December 2015, its Solvency II ratio (SF) was 131%[15]). Notwithstanding the management actions already completed and further actions management plans to take, as well as the improved regulatory clarity compared to 30 November 2015, the Group has concluded that it needs to further strengthen the capital position of the Company. While the Group remains confident in the capital generating capacity of its underlying business, the capital position of the Company needs to be bolstered to allow the Group to succeed under the new Solvency II regulatory regime and operate with appropriate leverage, capital and liquidity at the Company level. The Group believes that raising additional equity capital through the Offering, in addition to ongoing management actions, is necessary to achieve this. The receipt of the gross proceeds of the Offering is expected to add approximately 25% points to the Solvency II ratio (SF). Pro forma for the completion of the Offering, the Company estimates that its Solvency II ratio (SF) would have been 156% as of 31 December 2015 based on the expected gross proceeds of the Offering.

The Executive Board and the Supervisory Board considered and studied other options to strengthen the Company's capital position, such as gradually accruing capital over time, or implementing a significant structural de-risking strategy, or a combination of these options. However, management believes pursuing these options would leave the Group more exposed and jeopardise the position of its stakeholders, including the shareholders. Given the capital of the Company under Solvency II, the Group believes raising additional equity capital by means of the Offering is a critical and necessary step in repositioning the Group to deliver its strategy under the new Solvency II regime for the benefit of its shareholders.

Based on its completed management actions, and assuming the completion of the Offering, the Group expects to reach a solvency position within its target range of 140% to 180%, which it believes will allow the Group to absorb reasonable stress scenarios and the remaining material Solvency II uncertainties, and give it a strong foundation from which to execute its strategy and deliver customer-focused, profitable and capital-generative new business. The Group aims to build towards the upper half of its target range by the end of 2016. The Group also considers the Offering necessary to protect its credit rating, which will in turn support its business model.

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[15] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

INDUSTRY OVERVIEW

The Netherlands

Macroeconomic Environment

The Dutch economy has begun to recover from the economic downturn triggered by the global financial crisis that commenced in 2008. The Dutch economy began to stabilise in 2013 and returned to growth later that year. Despite the impact of economic imbalances across the Eurozone, key economic drivers, including private consumption, corporate investments, government spending and exports, have contributed to the improving economic performance of the Netherlands in recent periods. By the second quarter of 2014, the Dutch economy had recovered such that it was almost the same size as prior to the economic crisis. The GDP of the Netherlands was EUR 663 billion in 2014 and GDP growth was 1.9% for the year ended 31 December 2015 (*source: CBS*). As of 31 December 2015, unemployment was 6.6% (*source: CBS*).

As a result of events that unfolded during the financial crisis, the Dutch State became heavily involved in the domestic financial sector, including providing guarantees for and taking capital positions in and ownership of, participants. In 2008, former ABN AMRO Group and a.s.r. were acquired and nationalised by the Dutch State while ING Groep, Aegon and SNS Reaal received capital injections. The Dutch State established NL Financial Investments ("NLFI") in 2011 with the prime mandate for exercising the shareholder rights in ABN AMRO Group N.V. ("ABN AMRO Group"), ASR Nederland N.V. ("a.s.r.") and RFS Holdings B.V. In 2013, SNS Reaal was also nationalised. Currently, the NLFI only holds a stake in ABN AMRO Group and has 100% ownership of a.s.r., SNS Bank N.V. and Propertize B.V. On 20 November 2015, ABN AMRO Group announced its initial public offering, in which a total number of depository receipts representing 20% of the underlying shares were offered and listed on Euronext in Amsterdam. The Dutch State completed the sale of the first tranche of shares of ABN AMRO Group in November 2015 and currently holds 77% of the shares in ABN AMRO Group. The over-allotment option was fully exercised on 3 December 2015, following which a total number of depository receipts representing 23% of the shares was offered and listed on Euronext in Amsterdam.

In November 2015, S&P upgraded the outlook for the Netherlands to AAA rating (stable). S&P expects the Dutch economy to grow 2% on an annual basis through 2018 (2014: 0.9% growth) (*source: S&P 2015*).

Insurance Industry

Introduction

In 2014, the Dutch insurance market (including healthcare premiums) was the fifth largest in Europe, behind the United Kingdom, France, Germany and Italy (*source: Swiss Re, May 2015*).

The Netherlands ranked the fourth highest in Europe in 2014 in terms of insurance density (*source: Swiss Re, April 2015*). The Dutch insurance market is a mature market, with GWP as a percentage of GDP of 11.0% (*source: Swiss Re, May 2015*).

The compound annual growth rate ("CAGR") of the Dutch insurance market in terms of GWP amounted to negative 1.0% between 2012 and 2014 (*source: DNB*).

Recent developments

The majority of larger Dutch life insurance companies have been using the ECB AAA curve, a UFR from the 20-year point going forward to 60 years, to determine the regulatory value of insurance liabilities. On 12 July 2013, Fitch downgraded France to AA+, resulting in French government bonds no longer being included in the ECB AAA curve. The downgrade caused a decrease across the ECB AAA curve of on average 15 basis points (dependent on the point on the curve), leading to an increase in the value of the liabilities held by insurers and therefore a decrease in available capital. The DNB swap curve is the only alternative curve recognised by DNB that is available to insurers to discount liabilities. Since the downgrade of France's credit rating by Fitch, a number of life insurance companies have started to use the DNB swap curve to determine the regulatory value of insurance liabilities (*source: DNB*).

In the fourth quarter of 2014, the residential mortgage loan portfolio of Dutch life insurers grew by EUR 2 billion to over EUR 44 billion. The residential mortgage portfolio of life insurers had already expanded by EUR 8 billion in 2013 (*source: DNB*).

On 14 July 2015, DNB announced that the UFR for pension funds, which forms part of the actuarial interest rate used to calculate the value of future liabilities, will be determined in a different manner from 15 July 2015 onwards. The new UFR calculation more appropriately takes into account actual market rate developments. The new calculation method results in a new UFR that is currently 3.3%, which is below the presently applicable 4.2%. The actual impact will not become clear until contributions for 2016 are set but a lower discount rate will increase the value of the liabilities (*source: DNB*). For further information on sensitivities of the UFR, see "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*".

The phasing-in of Solvency II for supervisory approval processes and decisions related to group supervision (article 308a of the Solvency II Directive) started on 1 April 2015. On 30 June 2015, EIOPA submitted the final Set 2 of ITS to the EC. On 14 September 2015, EIOPA published the final versions of Set 2 of its Solvency II Guidelines. The Company has anticipated the implementation of all of these Guidelines in preparing for Solvency II. On 11 November 2015, the European Supervisory Authorities ("ESAs") published two concept ITSs with respect to the credit assessments by External Credit Assessment Institutions ("ECAIs"), which have been submitted for approval to the EC. Solvency II became effective on 1 January 2016.

Products

The Dutch insurance industry can be segmented into three categories of insurance products: (a) life insurance (including pensions), (b) general insurance (including income protection insurance) and (c) health insurance.

The table below sets out a breakdown by insurance segment in the Netherlands in terms of GWP and percentage of total GWP for the years ended 31 December 2014, 2013 and 2012.

	2014		2013		2012	
	GWP	% of GWP	GWP	% of GWP	GWP	% of GWP
	(EUR billion, except percentages)					
Life	17.5	23.7%	18.3	24.2%	19.0	25.3%
General	14.8	20.1%	15.8	20.9%	16.2	21.6%
Healthcare	41.5	56.2%	41.4	54.8%	39.9	53.1%
Total	**73.8**	**100.0%**	**75.5**	**100.0%**	**75.3**	**100.0%**

(source: DNB)

The Group does not underwrite healthcare insurance in the Netherlands but rather only acts as a distributor. Further statistics are therefore presented excluding health insurance premiums.

Distribution channels

The distribution channels for life and general insurance include (a) Intermediaries, (b) Bancassurance, (c) direct (including distribution through internet and mobile platforms), (d) tied agents and I other channels (such as post offices and retailers).

Distribution channels in the Dutch insurance market have changed significantly in recent years. Regulatory developments and increased competition have led to a decrease of 16% in the number of independent financial advisors between 2008 and 2014 (*source: CBS*). Also, the larger insurance brokers have been consolidating and the number of independent agents has been decreasing. At the same time, insurance companies have been building up their direct distribution capabilities, balancing this with their existing relationships with Intermediaries.

Competitive landscape

The table below sets out a breakdown by main insurance companies in the Netherlands in terms of percentage of total GWP for the years ended 31 December 2014, 2013 and 2012.

	2014	2013	2012
Market shares (excluding healthcare insurance):			
Achmea	17%	16%	16%
NN	15%	15%	16%
Aegon	15%	13%	11%
Delta Lloyd Groep	10%	12%	12%
a.s.r.	10%	10%	11%
Vivat	10%	9%	10%
Other	23%	25%	25%
Total	**100%**	**100%**	**100%**

(source: DNB)

Life Insurance Market

Introduction

The Dutch life insurance market (excluding healthcare premiums) was the 13th largest life insurance market in Europe in 2014 measured by GWP, accounting for 2.2% of the European life insurance market based on Group estimates. Life insurance density in the Netherlands measured by GWP per capita was USD 1,296 in 2014 (*source: Swiss Re*). The Netherlands has the 14th highest life GWP per capita in Europe, excluding premiums paid into non-commercial pension funds *(source: Swiss Re, May 2015*). The GWP of the life insurance market amounted to EUR 17.5 billion in 2014, which is 23.7% of the total Dutch insurance market. The CAGR of the life insurance market in the Netherlands was negative 4.1% between 2012 and 2014 (*source: DNB*).

The market for life insurance can be split between group and individual policies. For markets where products were still actively being sold, the individual and group life insurance market was almost evenly split in 2014. The table below sets out a breakdown by life insurance policies in terms of GWP in the Netherlands for the years ended 31 December 2014, 2013 and 2012. GWP in the individual life market have decreased significantly over the last several years. This has been driven by a move to tax-advantageous bank savings products and reduced consumer trust in individual life products (*source: Swiss Re*) due to the impact of a reduction in unit-linked insurance products and issues associated with these products, see also "*Business—Litigation—Unit-Linked Insurance Transparency Investigation and Settlement*".

Gross Written Premiums	2014	2013	2012
	(EUR billion)		
Life insurance:			
Group	8.7	8.5	7.9
Individual	8.6	9.5	11.1
Total(1)	**17.5**	**18.2**	**19.2**

(source: DNB)

(1) Total also includes "Other" category GWP, please see the table below that sets out the breakdown by product category and premium type in terms of GWP in the Netherlands and percentage of total GWP in the Netherlands for the years ended 31 December 2014, 2013 and 2012 for a full breakdown.

The Dutch pension system comprises three pillars: (a) mandatory state pension scheme, (b) employer-based schemes and (c) voluntary pension facilities. Most pension schemes are based on defined benefit and provide life-long guarantees. In 2014, Dutch insurance companies had a 21.5% market share of the Dutch pension market, generating EUR 8.7 billion of GWP. Industry-wide pension funds and company pension funds held the remaining 78.5% market share in 2014, accounting for EUR 31.7 billion of GWP in 2014 (*source: DNB*). GWP in the group life market has grown mainly due to the transfer of assets from smaller and terminated pension funds to commercial insurance companies. These assets are incorporated in GWP as single premiums, which have shown a strong increase between 2012 and 2014. Annual premiums have decreased slightly due to the success of premium pension institutions (*Premie Pensioen Instelling*, or "PPI"), a segment in which the Group's subsidiary, BeFrank, is the market leader.

Products

Group life insurance products are policies pursuant to which employers offer certain pension products and other insurance benefits (such as disability protection) to their employees. In the Netherlands, these benefits require the approval of employee representatives.

Life insurance policies can also be distinguished by type of premium payment (recurring or single premiums), and on the basis of insurance payments by the insurance company (capital sum or annuity). Life insurance policies can be split into traditional life insurance policies, where the insurance company bears the investment risk, and unit-linked insurance policies (*beleggingsverzekeringen*), where the policyholder bears the investment risk. From 2008 to 2014, there has been a significant decline in sales of individual life insurance products. Legislative changes introduced in 2008 have enabled banks to offer bank annuity products that compete with life insurance products and benefit from the same tax efficiency as mortgage or pension-related individual life insurance products. Also, as stock markets began to decline commencing in 2006, unit-linked products became less attractive due to their lower returns for policyholders. These lower returns triggered a discussion on costs and cost transparency issues and resulted in negative publicity and litigation. See "*Business—Litigation—Unit-Linked Insurance Transparency Investigation and Settlement*". In its sector-wide investigation report of 2008, the AFM estimated that in the Netherlands, in total, approximately 7.2 million individual unit-linked retail policies had been sold in 2005. New business in the individual life market seems to have stabilised in 2015.

The table below sets out the breakdown by product category and premium type in terms of GWP in the Netherlands and percentage of total GWP in the Netherlands for the years ended 31 December 2014, 2013 and 2012.

	2014		2013		2012	
	GWP	% of GWP	GWP	% of GWP	GWP	% of GWP
	(EUR billion, except percentages)					
Group life	8.7	49.7%	8.5	46.7%	7.9	41.1%
Traditional	5.2	29.7%	4.8	26.4%	3.7	19.3%
Annual premium	2.1	12.0%	2.0	11.0%	2.0	10.4%
Single premium	3.1	17.7%	2.8	15.4%	1.7	8.9%
Unit-linked	3.5	20.0%	3.7	20.3%	4.2	21.9%
Annual premium	2.4	13.7%	3.0	16.5%	3.1	16.1%
Single premium	1.1	6.3%	0.7	3.8%	1.1	5.7%
Individual life	8.6	49.1%	9.5	52.2%	11.1	57.8%
Traditional	5.6	32.0%	6.2	34.1%	7.2	37.5%
Annual premium	3.7	21.1%	4.0	22.0%	4.1	21.4%
Single premium	1.9	10.9%	2.2	12.1%	3.1	16.1%
Unit-linked	3.0	17.1%	3.3	18.1%	3.7	19.3%
Annual premium	2.7	15.4%	3.1	17.0%	3.5	18.2%
Single premium	2.3	13.1%	0.2	1.1%	0.2	1.0%
Other	**0.2**	**1.1%**	**0.2**	**1.1%**	**0.2**	**1.0%**
Total	**17.5**	**100.0%**	**18.2**	**100.0%**	**19.2**	**100.0%**

(source: DNB)

Distribution

In the Netherlands, life insurance products are sold through Intermediaries, Bancassurance, direct and other channels. The Intermediary channel is the main distribution channel and accounted for approximately 54% of life insurance GWP in 2014 (s*ource: Verbond van Verzekeraars—Centrum voor Statistiek*).

The table below sets out a breakdown by distribution channel in terms of percentage of total GWP in the Netherlands for the years ended 31 December 2014 and 2013.

% of total GWP	2014	2013
Intermediaries	53.6%	58.4%
Bancassurance	10.3%	10.0%
Direct	33.4%	28.9%
Other	2.7%	2.7%
Total	**100.0%**	**100.0%**

(source: Verbond van Verzekeraars—Centrum voor Statistiek)

Competitive landscape

The table below sets out a breakdown of the leading life insurance companies in the Netherlands (and their group life and individual life insurances businesses) in terms of percentage of total GWP for the years ended 31 December 2014, 2013 and 2012.

Market shares		2014	2013	2012
Aegon	**Total**	**23%**	**20%**	**16%**
	Group	37%	31%	26%
	Individual	9%	9%	9%
NN	**Total**	**19%**	**19%**	**20%**
	Group	17%	17%	21%
	Individual	20%	20%	20%
Vivat	**Total**	**13%**	**13%**	**14%**
	Group	12%	13%	15%
	Individual	15%	14%	13%
Achmea	**Total**	**13%**	**13%**	**13%**
	Group	11%	10%	11%
	Individual	15%	15%	14%
Delta Lloyd	**Total**	**12%**	**14%**	**13%**
	Group	14%	19%	16%
	Individual	9%	10%	11%
a.s.r.	**Total**	**9%**	**9%**	**10%**
	Group	7%	8%	9%
	Individual	11%	10%	10%
Other	**Total**	**12%**	**13%**	**14%**
	Group	1%	2%	2%
	Individual	22%	22%	22%
Total		**100%**	**100%**	**100%**

(source: DNB and DLG analysis)

The combined market share measured by GWP of the top six providers of group life insurance was approximately 99% in 2014. The combined market share measured by GWP of the top six providers of individual life insurance was approximately 78% in 2014.

Industry trends and developments

- ***Defined contribution pension schemes replacing defined benefit pension schemes***: Traditional Dutch group pension schemes are defined benefit pensions offering investment guarantees to employees. As a result of demographic changes, new legislation and financial pressure, as well as the low interest rate environment, defined benefit pension schemes are under pressure and defined contribution pensions are becoming an increasingly attractive alternative. Companies are reconsidering their pension schemes and are looking for more affordable defined contribution alternatives which produce less volatile balance sheet results for the employer. The introduction of PPI for defined contribution pension plans has led to new entrants in the pension market, such as banks and investment managers. The increased number of suppliers has increased competition and led to reduced costs for defined contribution schemes. For insurance companies, the continuing low interest rate environment has gradually eroded margins on defined benefit products, adding further impetus to the shift towards defined contribution pension schemes. At 31 December 2014, 11 PPIs were active in the market, managing EUR 1.2 billion of assets under management (*source: DLG analysis of DNB data*). Consolidation of the market is expected over the next few years with only a limited number of substantial players expected to continue in the PPI market (*source: Dutch Ministry of Finance*).

- ***Pension reform in the Netherlands, with future reforms expected:*** The Netherlands, like many other mature markets, is facing the economic consequences of an ageing population. To address this issue, the Dutch government increased the retirement age for occupational pensions to 67 in 2014, and linked it to life expectancy thereafter. In addition, fiscal support for the accumulation of pension benefits has been reduced. From 2014, only the premiums necessary to finance the accrual of pension benefits in an average pay defined benefit scheme of up to 2.15% (previously 2.25%) of the annual pensionable salary are tax deductible. The tax deductibility of premiums paid into a defined contribution scheme as well as the maximum accrual percentages in a final pay defined benefit scheme (from 2% to 1.9%) have been lowered accordingly. A proposal for a further decrease in the tax deductibility of premiums paid into a pension scheme (based upon an accrual percentage of up to 1.875% for an average pay defined benefit scheme, combined with a maximum pensionable salary of EUR 100,000 and a voluntary net annuity for salaries above EUR 100,000) was approved by the Lower House (*Tweede Kamer*) in 2015 and is likely to be approved by the Upper House (*Eerste Kamer*). The tax deductibility of premiums paid into defined contribution schemes and defined benefit schemes based on final pay would also be lowered accordingly. The changes in pension regulations require insurers to modify their existing product portfolio and administrative systems, which can be costly. The decrease in the tax deductibility of premiums is expected to negatively impact premium inflows for pension providers, although the impact of a lower maximum pensionable salary has been limited due to the small number of employees earning EUR 100,000 or more in the Netherlands.

- ***Pension funds liquidating and moving to insured solutions**:* Increasing regulations for pension funds are intended to ensure that pension funds comply with minimum coverage ratios. In addition, the newly introduced IFRS accounting standards (IAS19R) requires that companies report funding deficits of a company pension fund on their balance sheets. Due to these stricter requirements on funding and governance, small- and medium-sized pension funds are rapidly consolidating or are being liquidated. Furthermore, the introduction of IAS 19 is expected to result in volatility of annual earnings for companies that have a company pension fund. To reduce this volatility, these companies can insure their potential liabilities with insurance companies by transferring all assets and liabilities to them. In the period between 1 January 2008 and 1 December 2014, 291 pension funds were liquidated (*source: DNB*). The assets and liabilities of approximately 50% of these funds are expected to be transferred to insurance companies (*source: Blue Sky Group*). After several years of poor performance, rising equity markets and reduced benefits of company pension funds have resulted in improving coverage ratios.
- ***Bank annuity products continue to replace individual life insurance products**:* Legislative changes introduced in 2008 have enabled banks to offer bank annuity products that compete with life insurance products and benefit from the same tax efficiency as mortgage- or pension-related individual life insurance products. Since 2008, there has been a significant decline in the sales of individual life insurance products, while the underlying savings needs of consumers have been met by, amongst others, bank annuities. The growth in bank annuity products exceeded the decline in individual life insurance products until 2012. Since 2013, the sale of new bank savings products has started to decline due to legislative changes relating to the deductibility of interest paid on mortgages. Bank savings now account for 76% of individual retirement savings (*source: IG&H Consulting & Interim, 2014*). In addition to the replacement with bank annuity products, the decline in the individual life insurance sector can be attributed to lower returns due to declines in stock markets following the financial crisis and consumers' negative perception of unit-linked products.
- ***Introduction of APF for defined benefit pension**:* APFs are a new type of pension fund of strategic importance to the Group. APFs offer the possibility to service multiple pension assets in separate compartments. APFs group multiple corporate pension plans together under the management of a single independent board (a non-profit foundation), while ring-fencing assets to offer a defined benefit-type scheme with no guarantees. APF legislation was approved by the Dutch Senate (*Eerste Kamer*) on 22 December 2015 and became effective on 1 January 2016. APFs require a licence from DNB in order to operate. The Group presented a licence request to DNB for 'Het Delta Lloyd Algemeen Pensioenfonds' ("Delta Lloyd APF") in January 2016 and is awaiting approval. Delta Lloyd APF is an independent pension fund (a foundation under Dutch law) which outsources its main pension fund administration activities and asset management activities to DLL and DLAM. The Group and Delta Lloyd APF have worked out strategic partnership agreements involving funding, licensing and various other business areas to facilitate a sustainable working relationship between the Group and the APF.

  The strategic reasons for founding Delta Lloyd APF are twofold. First, employers are looking for a cost efficient alternative to insured defined benefit schemes, this is especially the case for employers that are not willing to switch to a defined contribution scheme. Second, defined benefit schemes are no longer a long-term solution and APF is seen as a vehicle for building new business and offering the possibility to build this business under the nFTK regulation ("nFTK" or *nieuw financieel toetsingskader*), rather than under the Solvency II framework. Additionally, Delta Lloyd APF provides effective solutions for pension funds in the case of liquidation and will allow the Group to strengthen its position in institutional asset management.

The introduction of APF for defined benefit pensions has led to new entrants in the pension market, such as banks and investment managers and allows Dutch pension funds to compete directly with commercial insurance companies in the Netherlands. APF allows pension funds to underwrite and cross-sell additional life products to non-pension fund customers. However, insurance companies will become more direct competitors of pension funds as the introduction of APF allows them to use a product feature previously only available to pension funds. This potentially lowers premiums due by employers, making insurance companies more attractive as alternative suppliers to employers. Government plans that were included in the APF regulation also contemplate the abolition of compulsory participation of certain companies in pension funds that would further increase competition between insurance companies and pension funds. The APF legislation came into force on 1 January 2016, with licensing of APF vehicles by DNB to follow.

General Insurance Market

Introduction

The Dutch general insurance market (including healthcare) was the fourth largest general insurance market in Europe in 2014 measured by GWP, behind Germany, the United Kingdom and France. General insurance density (including healthcare) in the Netherlands measured by GWP per capita was USD 4,393 in 2014 (*source: Swiss Re, May 2015*).

The Dutch healthcare insurance segment is not described in detail in this chapter as the Group only provides healthcare insurance in the Netherlands as a distributor. The Dutch general insurance market (excluding healthcare insurance) measured by GWP amounted to EUR 14.8 billion in 2014, representing approximately 20.1% of the total Dutch insurance industry (*source: DNB*).

Products

General insurance policies (excluding healthcare) in the Dutch market can be categorised as follows: (a) income/accident, comprising disability and accident (D&A) and (b) property and casualty (P&C), comprising (i) fire (including property damage, natural forces and engineering), (ii) motor (including bodywork, motor vehicle liability and bodily injury), (iii) transport (railway rolling stock, aircraft, ships, and liability for aircrafts, ships, and goods in transit) and (iv) other (general liability, miscellaneous financial loss, credit insurance and legal expenses).

The table below sets out a breakdown by product category (excluding healthcare insurance) in terms of GWP and percentage of total GWP for the years ended 31 December 2014, 2013 and 2012.

	2014		2013		2012	
	GWP	% of total GWP	GWP	% of total GWP	GWP	% of total GWP
	(in EUR billion, except percentages)					
Income/accident	3.5	23.6%	3.7	23.3%	3.9	24.1%
Fire	3.5	23.6%	3.7	23.3%	3.7	22.8%
Motor	3.9	26.4%	4.4	27.7%	4.4	27.2%
Transport	0.7	4.7%	0.8	5.0%	0.9	5.6%
Other	3.2	21.6%	3.3	20.8%	3.3	20.4%
Total	**14.8**	**100.0%**	**15.9**	**100.0%**	**16.2**	**100.0%**

(source: DNB)

Distribution

In the Dutch general insurance market (excluding healthcare insurance), most products are distributed by Intermediaries and through direct distribution (including distribution through internet and mobile platforms). No dominant distribution channels exist within the general insurance market. Furthermore the distribution mix varies across different market segments. The direct channel is playing an increasingly important role in the retail market, due to the sale of non-complex products that do not require additional advice. In the SME market, business owners continue to seek advice from Intermediaries due to the relative complexity of products offered. However, direct distribution (including distribution through internet and mobile platforms) is also gaining traction in the SME market (*source: DLG analysis based on IG&H Consulting & Interim—Distribution report, 2014*).

Competitive landscape

The Dutch general insurance market (excluding healthcare insurance) is a mature and highly competitive market, with over 80 players active in the market in 2014. The top six general insurance companies held a combined market share of 58.2% (excluding healthcare insurance) measured by GWP in 2014 (*source: DNB, DLG analysis*).

The table below sets out a breakdown of the leading general insurance companies in the Netherlands in terms of percentage of total GWP (excluding healthcare insurance) for the years ended 31 December 2014, 2013 and 2012.

	2014	2013	2012
Market shares:			
Achmea	21.5%	20.2%	19.7%
a.s.r.	11.9%	11.6%	12.0%
NN	10.6%	10.0%	10.1%
Delta Lloyd	9.0%	8.9%	9.9%
SNS REAAL	5.0%	4.8%	4.9%
Allianz(1)	0.2%	4.6%	4.5%
Other	41.8%	39.9%	39.0%
Total	**100.0%**	**100.0%**	**100.0%**

(source: DNB, DLG analysis)

(1) Allianz reports its Dutch revenue to Belgian supervisors as of 2014.

Industry trends and developments

- ***Lower profitability for certain products****:* The profitability of general insurance in the market (excluding healthcare insurance) deteriorated in 2014. The general insurance COR increased from 98.2% in 2013 to 99.1% in 2014 (*source: DNB*). The higher COR is due to increased pricing transparency and increased turnover which in turn has led to increased competition and lower prices, particularly with respect to simple general insurance products such as motor and fire insurance. The increase in the COR has prompted the Group to focus on reducing costs in order to sustain the profitability of its general insurance operations. The pricing transparency and increased turnover has led to increased competition.
- ***Decreasing premium volumes in general****:* GWP for general insurance decreased significantly from 2012 to 2014. Premiums decreased across nearly all product groups (*source: DNB*). GWP was negatively impacted by low new business volumes in 2012 and 2013 due to low household consumption and low investments by corporations. (*source: DLG analysis of CBS and CVS data*) attributable in part to the continuing weak economic environment. Product rationalisation by households caused by the economic downturn and high bankruptcy figures has led to lower production as well (*source: CBS*). Furthermore, overcapacity in the Dutch general market in combination with low levels of new business has led to price competition, which has impacted GWP negatively (*source: Gfk, TOF Particulier*).
- ***More direct distribution (including distribution through internet and mobile platforms)****:* Direct distribution (including distribution through internet and mobile platforms), especially for relatively simple products, is increasing due to changing customer behaviour and technological developments. In light of pressure on profitability, insurers are also reducing their expenses by shifting towards direct distribution, in particular motor, fire and travel insurance. Approximately 18% of general insurance products are distributed directly, and all major insurance companies make use of internet platforms.

Banking

Dutch Banking Industry

The size of the Dutch banking sector measured by assets relative to Dutch GDP has decreased considerably since its peak in 2007 largely due to the impact of the financial crisis and adverse economic conditions experienced in its aftermath. In 2008, former ABN AMRO Group was nationalised and ING Groep received state aid. On 1 February 2013, SNS REAAL N.V., the fourth largest bank, was nationalised. On 20 November 2015, ABN AMRO Group announced its initial public offering, in which a total number of depository receipts representing 20% of the underlying shares were offered and listed on Euronext in Amsterdam. The Dutch State completed the sale of the first tranche of shares of ABN AMRO Group in November 2015 and currently holds 77% of the shares in ABN AMRO Group. The over-allotment option was fully exercised on 3 December 2015, following which a total number of depository receipts representing 23% of the shares was offered and listed on Euronext in Amsterdam.

Economic conditions and the global financial markets remain challenging for the Dutch banking sector, which continues to be affected by the aftermath of the financial crisis, although the recovery of the housing market has alleviated pressure on the banks' balance sheets to a certain extent (*source: DNB, CBS*). The aggregate balance sheets of Dutch banks amounted to EUR 2,586 billion at the third quarter of 2015 and the total savings and deposits amount per November 2015 was EUR 340 billion (*source: DNB, CBS)*. Despite its reduction in size, the Netherlands had the fifth largest banking industry in the Eurozone by total assets behind Germany, France, Spain and Italy (source: *ECB October 2014*).

Main Banking Products (relevant for the Company)

Residential mortgage loans

The total amount of outstanding residential mortgage loans in the Netherlands was EUR 632 billion at 31 December 2014 compared with EUR 633 billion at 31 December 2013 (*source: DNB)*. The market leader in mortgage lending *(Rabobank)* expects growth in outstanding mortgage debt due to the strong recovery of the Dutch housing market in 2015. The Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen* or "WEW") acts as a guarantor of mortgages under certain conditions through the provision of the national mortgage guarantee (*Nationale Hypotheek Garantie*, or "NHG"). In 2014, 55% of the new mortgage loans by quantity were NHG guaranteed and 42% of the total volume of new mortgage loans were NHG guaranteed (*source: NHG, IG&H*).

Bank annuities

Tax-efficient bank savings products, also referred to as bank annuities (*banksparen*), were introduced in the Netherlands in 2008. Bank annuities are used for mortgage, pension and severance-related savings. Until 2008, money could only be saved in a tax-advantageous way through an insurance policy. Since the adoption of new legislation in 2008, bank annuities have the same fiscal benefits as insured savings products but do not have a life insurance component. Bank annuities have caused a downward trend in the sale of new individual life products and have become an attractive alternative source of funding for banks. The total new business in bank annuities decreased from EUR 6.1 billion in 2012 to EUR 5.8 billion in 2013 (*source: IG&H*).

Savings and deposits

The total amount of Dutch retail savings and deposits was EUR 325 billion at 31 December 2013. This increased to EUR 332 billion at 31 December 2014 and to EUR 340 billion at 30 November 2015 (*Source: CBS*).

Distribution

In the Netherlands, banking products are most commonly distributed through the direct bank channel, including branches and Intermediaries, for both bank savings and mortgages. In 2015, Intermediaries had a distribution share of 50% for residential mortgages and 22% for bank annuities. Retail banks had a market share of 41% for residential mortgages and 50% for bank annuities (*source: IG&H*).

Competitive landscape

In 2014, the banking sector in the Netherlands was dominated by three large banks and one medium-sized bank: ING Bank N.V., Coöperatieve Rabobank U.A. (Rabobank), ABN AMRO Bank N.V. and SNS Bank, which together have a market share of more than 90% in the deposit market (*source: European Banking Federation*). Together, these banks have a joint market share of more than 80% in all main products (including savings, residential mortgages and current accounts) (*source: European Banking Federation*).

Industry trends and developments

- ***Introduction of legislation to temper interest-only and high loan to value ("LTV") mortgage lending:*** Starting in January of 2013, certain legislative measures were implemented to dampen interest-only and high LTV mortgage lending in order to help stabilise the Dutch housing and mortgage market, and reduce the government deficit. These measures included, among other things, the repayment of new mortgage loans on an annuity or linear basis within 30 years to qualify for tax relief on mortgage interest and, starting on 1 January 2013, setting the maximum LTV ratio for new mortgage loans at 105%, to be reduced annually on 1 January of each subsequent year by 1% until it reaches 100% in 2018 (*source: CBS*). Tax conditions have also changed for mortgage-related capital insurances and savings. As of 1 January 2013, the favourable tax regime for mortgage-related capital insurances and savings no longer applies and new mortgage-related capital insurance policies and savings are now taxed as part of an individual's income from savings and investments. Additionally, as of 1 January 2013, the mortgage interest deduction only applies for mortgage loans which provide annuity schemes or fixed monthly payments. With these changes in the tax regime, a shift from interest-only mortgages to annuity and amortisation payment type mortgages is being observed.
- ***Tempered growth in sales of bank annuities:*** Since 2008, insurance companies have expanded into bank annuity products, driven by declining sales of individual life insurance products. Building on their existing mortgage banks, insurers have introduced bank annuity products and expanded their scope into other banking products, resulting in a decrease from EUR 6.1 billion in 2012 to EUR 5.8 billion in 2013 (*source: IG&H 2014*) . This may be explained by a reduction in the number of active life insurance policies that were converted into bank annuity schemes. In addition, the Dutch government abolished the favourable tax treatment of severance payments (payments an employee receives when he or she leaves employment at a company) as of 1 January 2014. As of 1 January 2015, the legislator lowered the maximum pensionable salary to EUR 100,000. New fiscal regulation for pensions may further temper growth of bank annuities sales, as the legislator may further lower the maximum amount people can deduct from their taxable wealth to save for their pension each year.
- ***Increase in repayments of debt:*** As a result of the introduction of legislation to temper interest-only and high LTV lending, consumers have generally preferred to repay and lower their debts rather than saving. In 2013 and 2014, the Dutch government temporarily raised tax free levels (up to EUR 100,000) for financial gifts used to repay mortgage loans, which also contributed to an increase in repayments of debt. This regulation may be reintroduced in 2017.
- ***Lowering of maximum mortgage loan amount allowed by the NHG:*** In 2009, the maximum mortgage loan accepted by NHG was temporarily raised from EUR 265,000 to EUR 350,000. Since 2012, this maximum was gradually lowered. As at 1 July 2015, the maximum mortgage loan accepted by NHG was EUR 245,000 and will be further lowered to EUR 225,000 in 2016. As mortgage prices slowly increase, the lowering of the maximum loan allowed by NHG will have an impact on the total NHG market share. In general, this will result in mortgage lenders being required to increase their capital.
- ***Political pressure on product amendments and development***: With some product amendments, consumers benefit more from low interest rates during the product life cycle. As there are low interest rates, political pressure has increased to allow for the averaging of interest rates (*rentemiddeling*) and automatic lowering of the loan-to-market-value ratio as the loan gets repaid during the fixed interest period. These product amendments potentially have a high impact on Delta Lloyd Bank Netherlands' profitability, especially when applied to existing portfolios. These effects are, however, highly dependent on customer behavior and are therefore difficult to predict. See "*Risk Factors—Financial Risks–Sustained low interest rate levels have had, and could continue to have, a material adverse effect on the Group's business, results of operations, financial condition and prospects*").

Dutch Investment Management Industry

Introduction

As at 31 December 2013, the Dutch investment management industry managed EUR 469 billion in assets, which represented 3% of the total assets managed by the European investment management industry. At the end of 2013, the ratio of assets under management to Dutch GDP was 73% (*source: EFAMA Asset Management Report p. 13, April 2015*).

Size and products

Discretionary mandates represented approximately 85% (approximately EUR 400 billion of assets under management) of the Dutch investment management industry at 31 December 2011, while investment funds represented 15% (approximately EUR 70 billion of assets under management) (*source: EFAMA Asset Management Report, p. 16, April 2015*).

Advisory and fiduciary services for institutional customers form a third product category of the Dutch investment management market, in addition to discretionary mandates and investment funds. Fiduciary management is an approach to investment management that involves an asset owner, such as a pension fund or insurance company, appointing a third-party to manage the total assets of the asset owner on an integrated basis. This is undertaken via a combination of strategic advice, tactical asset allocation, manager selection and monitoring, portfolio management, administration and reporting. The significance of fiduciary management in the Dutch investment management industry is related to the significant size of pension funds in the market (*source: Handboek voor Pensioenfondsen, Pensioen Bestuur & Management*).

Distribution

The customer categories of the Dutch market serviced by the investment management industry comprise institutional investors and retail customers. For investment funds, customers include institutional investors and retail customers. Institutional investors include insurance companies, pension funds, banks and others. Dutch pension funds are among the largest pension funds in the world, investing worldwide and applying a wide range of modern investment techniques. Retail banking is the dominant distribution channel of investment funds, representing around 80% of Dutch fund assets. The other 20% is distributed among insurance companies (via wrappers), private banks and brokers. The largest banks in the Netherlands, ABN AMRO Bank N.V., ING Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank), have opted for guided architecture (i.e. pushing proprietary products) (*sources: EFAMA Asset Management Report, April 2015; PwC UCITS Fund Distribution, September 2012; Roland Berger Strategy Consultants website, March 2013*).

Competitive landscape

The table below sets out a breakdown by market shares of the leading Dutch retail investment funds in terms of percentage of total assets under management at 31 December 2014.

	As at 31 December 2014
Market shares:	
NN Investment Partners	12.5%
Robeco	10.0%
Aegon	9.7%
Delta Lloyd Asset Management	6.2%

(source: AF Advisors)

Industry trends and developments

- ***Increase in institutional customers investing via investment managers**:* In the European investment management industry, the market share of institutional customers on investment managers' books increased from 69% in 2007 to 74% in 2013 (*source: EFAMA*). Since the financial crisis, there has been a gradual decrease in investment managers securing business directly from retail customers. This development reflects a growing tendency towards the institutionalisation of the customer base of the investment management industry. Retail customers have continued to make use of insurance companies and pension funds to fund their retirement long-term savings needs, whilst reducing their direct exposure to investment risks. Simultaneously, insurance companies and pension funds have increasingly used the expertise of the investment management industry to manage the assets entrusted to them.
- ***Amendments to the Undertakings for Collective Investment in Transferable Securities regulations facilitating cross-border investments:*** The EU Undertakings for Collective Investment in Transferable Securities ("UCITS") Directive was adopted in 1985 with the purpose of harmonising the domestic regulations on retail investment funds in the EU and to facilitate cross-border activities. Following the

implementation of this directive, investment funds that operate within this regime can be offered throughout the EU (only a relatively light notification procedure needs to be followed) on the basis of an authorisation from the fund's home state. On 3 July 2012, the EU Commission issued a proposal to amend the UCITS directive covering the depositary safe-keeping and oversight duties, manager remuneration and sanctions, which became commonly known as the "UCITS V" proposal. The Directive entered into force on 17 September 2014. Member States have 18 months to implement the Directive into national law, i.e. until 18 March 2016. The delegated regulation of the European Commission was initially expected for spring 2015 but is more likely to be issued in fall 2015 (source: KPMG Note UCITS V).

- ***Increased market share of cross-border funds:*** The UCITS Directive has allowed investment managers to operate more internationally and has facilitated the cross-border exchange of investment management products. For investment managers, it is efficient to distribute funds domiciled in one country across the border to other distribution countries. Increasingly, the UCITS Directive passport has not just been seen as a European fund passport, but also as a global one. UCITS are recognised and distributed outside of the European Economic Area ("EEA") in Asia, Latin America, Central and Eastern Europe and the Middle East. As a consequence of the growth of guided and open-architecture fund distribution, and supported by the international recognition of the UCITS Directive, the market share of funds offered on a cross-border basis has increased at the expense of funds that are domiciled locally. Fund managers manage funds that are domiciled in another country for efficiency reasons. The combined market share of the two largest cross-border domiciles for fund distribution (Luxembourg and Ireland) amounts to 41.9% per end 2014 (source: *EFAMA Asset Management Report*).
- ***New regulations offer new business opportunities:*** While investment management companies must on the one hand adjust their operations to comply with the new regulations (for example UCTISV, AIFMD and MiFID II, which are described under "*Supervision and Regulation— EU Regulatory Framework—Insurance and Insurance-Related Regulation*" below), in some cases new regulations also offer new opportunities for investment managers. For example, in the past, banks were the main source of long-term financing and the facilitation of loans. The withdrawal from certain areas of capital markets is creating opportunities for asset managers to fill the gaps, as other investors, such as pension funds and insurance companies, are showing an interest in providing such loans and can use asset managers to manage such portfolios. The EC intends to facilitate this transition with new regulations regarding European long-term investment funds. Moreover, the new regulation for European insurers, Solvency II, represents an opportunity for asset managers with in-depth Solvency II knowledge to fulfil such customer needs through new advisory products and services (*sources: EC press release; KPMG Note Solvency II*).
- ***Passive management through index funds and exchange traded funds has become popular, increasing passive management's share of the European fund market:*** The market share of index investing increased from 3.4% in 2011 to 8.4% in December 2014 (*source: AF Advisors 2015 Q1*).

Belgium

Belgian Economy

The Belgian economy grew by 1% in 2014. Growth, as in other European countries, remains fragile due to the uncertainties related to the ability of European economies to develop in a sustainable fashion as well as geo-political uncertainties. Following a period of contraction from 2009 to 2013, the financial sector grew in 2014. Growth in mortgages was limited and primarily attributable to the refinancing of outstanding mortgages due to a significant decrease in mortgage interest rates. Although the total net profit of Belgian insurance companies in 2014 amounted to EUR 1 billion (based upon statutory figures) (*source: Assuralia*), the profitability of Belgian insurance companies remains weak due to prevailing macro-economic conditions, particularly low interest rates, and are leading insurers to review their cost structure. Life insurance companies face decreasing sales of insurance policies with a guaranteed interest rate feature, due to the low yield of these products and the increase in a premium tax from 1.1% to 2%. Further, continuing low market interest rates are unfavourable for life insurance companies as these companies hold long term commitments with relatively higher guaranteed interest rates. As a result, life insurance companies are seeking to increase unit-linked products sales (branch 23) since these products require less capital under a Solvency II framework. High yielding investment grade financial instruments are maturing and can only be replaced by lower yield financial instruments, putting a stress on net margin. During 2014, the asset mix of insurance companies evolved resulting in less exposure in governmental bonds compared to other asset classes such as corporate loans and mortgages loans. These alternatives offer a higher yield, but also include a higher credit and liquidity risk. (*source: NBB 2015 Economic Developments Belgium*).

Belgian Insurance Industry

Introduction

Belgium was the 11th largest insurance market in Europe in 2013, with a share of 2.7% of total European GWP (Belgium life insurance market is 11th with a share of 2%, Belgian general insurance market is eighth with a share of 2.5%). Private insurance companies play a smaller role in the Belgian insurance market compared with the Netherlands because the Belgian State still plays an important role in the health insurance market and in the first (collective) pillar of the pension system. In 2013, life GWP decreased by 22.9% to EUR 16.5 billion compared to 2012. Non-life GWP increased by 2.8% to EUR 11.2 billion compared to 2012. In 2014 GWP increased by 0.9% to EUR 28.1 billion. The penetration rate amounted to 4.44% for life and 2.9% for non-life in 2014. The overall penetration rate of 7% was lower than other markets such as the Netherlands (13%), the United Kingdom (12%) and Finland (11%) (*source: Assuralia Balans & Vooruitzichten 2014-2015; Insurance Europe*).

The table below shows a breakdown of total GWP in Belgium from 2012 to 2014, split between life insurance and general insurance.

Year	Life insurance		General insurance		Total
	EUR million	% Total	EUR million	% Total	EUR million
2012	21,470	66.3	10,936	33.7	32,406
2013	16,550	59.5	11,265	40.5	27,815
2014	16,579	59.1	11,476	40.9	28,055

(source: Assuralia)

Life insurance industry: size and products

The table below shows a breakdown of life insurance GWP from 2012 to 2014 by product category.

Year	Individual		Group		Total
	EUR million	% Total	EUR million	% Total	EUR million
2012	16,377	76.3	5,093	23.7	21,470
2013	11,088	66.9	5,462	33.1	16,550
2014	11,619	70.1	4,960	29.9	16,579

Year	Unit-linked		Traditional		Total
	EUR million	% Total	EUR million	% Total	EUR million
2012	4,984	23.2	16,486	76.8	21,470
2013	2,763	16.7	13,787	83.3	16,550
2014	2,542	15.3	14,037	84.7	16,579

(source: Assuralia)

The Belgian individual life insurance market accounts for 70.1% of life insurance GWP generated by insurance companies in 2014 and group life insurance products accounted for 29.9%. A premium tax of 1.1% was introduced and was raised to 2% in 2013. As a result of this premium tax, other investments such as common bank savings products became comparatively more attractive. This had a negative impact on the individual life business. The share of the group life insurance business increased in the overall GWP during 2012 and 2013 as more businesses have set up company schemes and entire sectors have introduced occupational retirement schemes in collective bargaining agreements with trade unions. The demand for unit-linked life insurance products increased in Belgium in recent years compared to traditional life insurance products as markets began to decline and lower returns were passed on to policyholders. *(source: Assuralia 2014)*

Competitive landscape

In 2014, the five largest insurance companies had a combined market share of 59.2% in terms of total GWP (top 10 = 82.3% and top 15 = 91.6%). The tables below shows an overview (in EUR million) of the ranking life players based upon the 2014 GWP. Delta Lloyd Life Belgium is ranked eighth in the overall life market, fourth in group life and tenth in individual life. The Group has not written any new general insurance business in Belgium since 2013.

No.	Ranking (Overall Life Market 2014)	GWP, EUR million
1.	AG insurance	3,980
2.	AXA	1,822
3.	KBC	1,599
4.	Belfius	1,286
5.	Ethias	1,092
6.	Allianz	1,003
7.	Argenta	854
8.	Delta Lloyd Life Belgium	819
9.	P&V	803
10.	Ergo	551
11.	Baloise	482

No.	Ranking (Group Life Market 2014)	GWP, EUR million
1.	AG insurance	1,092
2.	Ethias	1,034
3.	AXA	639
4.	Delta Lloyd Life Belgium	449
5.	P&V	368
6.	Belfius	313
7.	KBC	255
8.	Allianz	231
9.	Generali	131
10.	Baloise	117
11.	Integrale	112

No.	Ranking (Individual Life Market 2014)	GWP, EUR million
1.	AG insurance	2,888
2.	KBC	1,344
3.	AXA	1,182
4.	Belfius	973
5.	Argenta	854
6.	Allianz	772
7.	Ergo	548
8.	Nationale Nederlanden	476
9.	P&V	434
10.	Delta Lloyd Life Belgium	371
11.	Baloise	365

(source: Assuralia 2015)

Distribution channels

The table below shows the market shares of the distribution channels in the life insurance market in 2013.

Distribution channel	Market share (%)
Bancassurance	33.2
Intermediaries	37.2
Direct	23.3
Others	6.3

(source: Assuralia)

BUSINESS

Overview

The Group is a financial services provider offering life insurance, pensions, general insurance, asset management and banking products and services within its target markets of the Netherlands and Belgium.

The Group employs a multi-brand, multi-channel strategy in both the Netherlands and Belgium in order to position itself across different distribution channels and customer segments. The primary differences across the Group's four principal Dutch insurance brands, namely Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA, result from the positioning, pricing, marketing and distribution of their respective products.

Business Segments

The following are the Group's four core business segments, each of which is also a reporting segment in the Group's financial statements:

- *Life Insurance*: The Group offers a range of products from simple insurance products to bespoke and often more sophisticated individual and group life insurance products, as well as basic savings and financial planning services through its multiple brands. Its core life insurance products include pension (in particular group life) products and administration services for group customers as well as traditional and unit-linked life insurance and savings products for individual customers. The Group offers individual and group life insurance in the Netherlands principally under the Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA brands, utilising different customer and pricing strategies through independent Intermediaries, via a joint venture (ABN AMRO Levensverzekering) between the Group and ABN AMRO Bank N.V. (the Group's dedicated label for Bancassurance (as defined below)) and direct (OHRA) distribution channels. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes (second pillar) since 2011. BeFrank is a PPI, which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. In Belgium, the Group sells individual and group life insurance primarily under the Delta Lloyd brand, with products distributed through brokers, banks and specialised employee benefits consultants. Life insurance generated EUR 2,683.7 million and EUR 2,626.6 million in gross written premiums ("GWP") in the years ended 31 December 2015 and 31 December 2014, respectively.
- *General Insurance:* The Group offers a broad range of general insurance products, principally in the Netherlands, including motor, fire, liability, income and absenteeism and marine/pleasure craft insurance policies. The Group's general insurance products are distributed to both private and commercial customers in the Netherlands under the Group's three principal brands using distribution channels similar to those used for its life insurance operations. The Group also acts as a distributor of certain health insurance products underwritten by CZ (*Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep*, and *Onderlinge Waarborgmaatschappij CZ Groep Aanvullende Verzekering Zorgverzekeraar*), which are priced by the Group and sold under the Delta Lloyd and OHRA brands, for which the Group receives fees and commissions. General insurance generated EUR 1,354.7 million and EUR 1,336.7 million in GWP in the years ended 31 December 2015 and 2014, respectively.
- *Asset Management:* The Group invests the Group's own risk assets and policyholder assets, provides investment management services to institutional pension fund mandates and manages a range of retail investment products, including investment funds. The asset management segment comprises the activities of DLAM. The Group's product offering includes a range of third-party investor funds for institutional and retail customers and discretionary mandates for institutional customers. In addition, it manages real estate funds on behalf of the Group and third-party investors.

  Delta Lloyd Asset Management manages certain assets on behalf of the Group's life insurance and banking business segments and has an advisory role in respect of other assets. Institutional fund sales take place primarily through the segments' dedicated sales force. For sales to retail investors, Delta Lloyd Asset Management generally relies on third-party banks in the Netherlands and Belgium, although a small portion of retail fund sales (unit-linked insurance) are distributed through the Group's own distribution channels. In the Netherlands, funds are distributed largely by Dutch retail banks, including ABN AMRO Bank N.V., Coöperatieve Rabobank U.A. (Rabobank) and ING Bank N.V.

  The assets under management were EUR 59.4 billion at 31 December 2015, of which EUR 23.8 billion were managed for third parties. At 31 December 2014, assets under management were EUR 72.1 billion, of which EUR 29.6 billion were managed for third parties.

- *Banking*: The Group offers a limited range of banking products and services in the Netherlands. Products include mortgage loans, bank annuities, savings products and fund investments. These products are primarily distributed through Intermediaries. The Group's banking business is conducted through Delta Lloyd Bank Netherlands. The Group's banking business also provides mortgage services, mainly to other Group entities. The banking segment's phased-in common equity tier 1 ("CET1") ratio was 12.4% as at 31 December 2015. A "phased-in" ratio takes into account only those regulatory requirements as and when they become applicable (and not those known requirements that will become applicable in the future).

  In the Netherlands, the Group originates mortgage loans through Amstelhuys N.V. ("Amstelhuys"). Amstelhuys is a wholly-owned subsidiary of the Company, which is accounted for within the Group's corporate and other activities business segment and not within the banking business segment. The Group's banking business services the mortgages underwritten by Amstelhuys in return for a fee.

The total mortgage loan portfolio of the Group at 31 December 2015 was EUR 13.3 billion, compared to EUR 16.7 billion (including mortgages at Delta Lloyd Bank Belgium and Germany) at 31 December 2014. For further detail on the Group's mortgage loan portfolio, including a breakdown of this portfolio, see "*—Banking*" below.

The tables below show the breakdown of GWP, Net Operational Result and net result by business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December									
	2015			2014				2013		
	GWP	Net Operational Result(1)	Net result	GWP	Net Operational Result (InvSp)(1)	Net Operational Result (LTIR)(1)	Net result	GWP	Net Operational Result(1)	Net result
	(EUR million)									
Life insurance	2,683.7	591.8	190.0	2,626.6	362.0	250.7	482.0	3,589.2	318.5	163.9
General insurance	1,354.7	68.6	52.7	1,336.7	85.0	76.9	56.2	1,427.8	66.6	39.8
Asset management	—	42.6	34.6	—	20.0	25.9	22.7	—	44.9	40.0
Banking	—	41.6	48.7	—	12.1	26.7	43.2	—	23.6	-13.8
Corporate and other activities(2)	—	-66.6	-197.9	—	-45.5	-3.4	-242.8	—	-27.5	-46.5
Total	**4,038.3**	**678.0**	**128.1**	**3,963.3**	**433.5**	**376.8**	**361.1**	**5,017.0**	**426.1**	**183.3**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business segment), together with any consolidation and elimination items. Corporate and other activities also includes gains from the sale of CZ during the year ended 31 December 2015.

Multi-brand and Multi-channel

The Group's four principal brands in the Netherlands are Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA.

Through the Delta Lloyd brand, the Group primarily targets retail and commercial customers in the middle to premium range of the life and general insurance markets while distributing primarily through Intermediaries.

Through the ABN AMRO Insurance brand, the Group has a dedicated label for Bancassurance. ABN AMRO Insurance primarily targets individuals, but also services a substantial group and commercial customer base, in the middle range of the life and general insurance markets, leveraging the distribution network of ABN AMRO, which includes bank branches, call centres, internet and mobile banking. The Group has had a joint venture with ABN AMRO Bank N.V. since 2003.

Through the OHRA brand, the Group offers term life, general and health insurance products. These products are distributed primarily through direct distribution channels (including distribution through internet and mobile platforms). The Group plans to phase out the OHRA brand in relation to banking products and new business life, with the exception of term life, and instead utilise the Delta Lloyd brand. This is expected to take place during the course of 2016.

BeFrank is a PPI, which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes since 2011.

In Belgium, the Group distributes its insurance products through brokers, bank channels and specialised employee benefits consultants.

The Group's banking business segment products are primarily distributed under the Delta Lloyd brand.

The Group has extensive distribution networks and large customer bases in the Netherlands and Belgium, which the Company believes provides it with a platform for continued growth in mature markets.

Divisions and Products

From an operational perspective, the Group manages its businesses through seven divisions:

- *Delta Lloyd Leven*: provide Delta Lloyd branded group life insurance, and Delta Lloyd and OHRA brand term life insurance, in the Netherlands;
- *Delta Lloyd Schade*: provide Delta Lloyd and OHRA branded general insurance in the Netherlands;
- *ABN AMRO Insurance*: ABN AMRO Insurance provides principally ABN AMRO branded life insurance and general insurance in the Netherlands;
- *BeFrank*: BeFrank is a Premium Pension Institution (PPI), and sets up and administrates collective defined contribution pension schemes in the Netherlands;
- *Delta Lloyd Asset Management*: Delta Lloyd Asset Management is responsible for managing the majority of the Group's own risk portfolio, and also undertakes fund management for third parties;
- *Delta Lloyd Banking*: Delta Lloyd Banking provides banking products and services, principally, mortgage products and services, bank annuities and savings and fund investments in the Netherlands; and
- *Delta Lloyd Life Belgium*: Delta Lloyd Life Belgium provides life insurance in Belgium.

The table below shows the geographical markets and distribution channels of the Group's business from a divisional point of view and how these divisions correlate with the Group's four core business segments:

Division	Geographical market	Segments	Distribution channel
Delta Lloyd Leven	The Netherlands	Life Insurance	Intermediaries, direct (companies)
Delta Lloyd Schade	The Netherlands	General Insurance	Intermediaries, direct (companies)
ABN AMRO Insurance	The Netherlands	Life Insurance, General Insurance	Bancassurance, Intermediaries
BeFrank	The Netherlands	Life Insurance	Intermediaries
Delta Lloyd Asset Management	The Netherlands, Belgium, Germany[16]	Asset Management	Retail: distributed by banks (not exclusive) Institutional: dedicated sales force
Delta Lloyd Banking	The Netherlands	Banking	Intermediaries, direct
Delta Lloyd Life Belgium	Belgium	Life Insurance, General Insurance	Intermediaries, Bancassurance, tied agents

[16] DLAM offers a number of *société d'investissement à capital variable* ("SICAV" or investment funds with variable capital) funds in Germany, with a German legal entity supporting marketing and sales. DLAM's client base currently consists of a number of private banks using DLAM's funds for their client portfolios and it also manages a German Spezialfund on behalf of a German insurance company, which forms part of the company's institutional expansion strategy.

Customer Centric Unit

Following the revised strategy and the focus on getting closer to the customer, the Company intends to create a centralised business unit that will focus on customer intelligence. The main objective of this unit will be to expand customer knowledge of the Group. The key areas of focus for this unit will be customer intelligence, brand strategy and digital transformation. This business unit will perform its activities for all of the Groups business units, including Delta Lloyd Life Belgium. The proposed new business unit is subject to approval of the Works Council. See also "*Business—Revised Strategy*".

Sustainability

As an insurer and an investor, the Group has an important role to play in society and a responsibility to contribute to society's well-being. As part of this, the Group started an organisation-wide sustainable impact programme in 2014 which aims to provide a more coherent and structural approach to sustainability and covers the Group's branding, organisation and investment policy. The Group's continued focus on corporate social responsibility was also recognised externally, when it was included in the Dow Jones Sustainability Index ("DJSI") World and in the DJSI Europe first on 11 September 2014 and again on 16 September 2015. The DJSI was launched in 1999 and monitors businesses worldwide that have made sustainability a spearhead of their policies. This prestigious index represents the top 10% of the 2,500 largest companies in each sector of the Dow Jones Global Index. The annual ranking is preceded by a detailed in-depth analysis based on the companies' economic, social and ecological performance. Relevant indicators include risk management, corporate governance, branding, measures to minimise greenhouse gases, service provision and human resources policy.

Recent Developments

The Supervisory Board of the Company (the "Supervisory Board") intends to nominate two or three new members of the Supervisory Board to be appointed at the annual general meeting of shareholders (being the corporate body, or where the context requires so, the physical meeting, the " General Meeting") to be held on 19 May 2016. The Dutch Central Bank ("DNB") and the AFM have already approved the planned appointment of one of them, which is a senior finance professional with board experience, over 25-years of experience in the UK Life business and a strong insurance and risk management background.

Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate the second person because of their focus on IT, E-commerce, digital marketing and big data. Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate a third person, a senior insurance professional with a broad international senior management experience and a strong senior financial, commercial, strategic and general management background. The Company intends to issue press releases if and when the nominations occur.

On 16 March 2016, the Company held an extraordinary general meeting at which the Shareholders resolved, amongst other things, to approve the Rights Offering.

On 16 March 2016, Fubon and the Company signed a heads of agreement agreeing that pending discussions concerning an enhanced partnership should continue and detailing certain arrangements which are intended to form the basis for further discussion (the "Fubon Heads of Agreement"). Fubon is a subsidiary of Fubon Financial Holding Co., Ltd., a financial holding company that offers financial services in Taiwan, Hong Kong and China, including banking, insurance and asset management. Under the Fubon Heads of Agreement:

- Fubon committed to vote in favour of the Offering at the extraordinary general meeting and to exercise all Rights allocated to it in respect of its then current 7.13% shareholding in the Company, as well as in respect of any other Ordinary Shares acquired before the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights and will otherwise participate in the Offering on the same terms and conditions.
- The Company agreed, subject to all applicable legal and regulatory requirements, to use its reasonable best efforts to assist in the temporary transfer of any rights Fubon acquires to one or more of the Underwriters, or another mechanism acceptable under applicable laws, to allow Fubon to later increase its stake in the Company to 15% prior to Fubon's receipt of any necessary regulatory clearance, including a declaration of no objection from DNB and ECB.
- The Company agreed to nominate (through its Supervisory Board) one individual designated by Fubon to the Supervisory Board and recommend its Shareholders vote in favour of, and otherwise use reasonable best efforts to cause, the election of such Fubon designee to the Supervisory Board so long as Fubon maintains at least a 15% ownership position (on a fully diluted basis) in the Company, subject

to (i) Fubon's nominee passing the suitability test (*geschiktheidstoets*) and reliability test (*betrouwbaarheidstoets*) of DNB and ECB and (ii) finalisation of the Company's mandatory employee consultation process.

- The Company agreed to take all action reasonably requested by Fubon to assist it to acquire Ordinary Shares in the market, subject to applicable securities law and regulation.
- If Fubon reaches a 15% ownership position (on a fully diluted basis), Fubon and the Company would promptly negotiate in good faith to enter into a relationship agreement on terms customary for other relationship agreements in the Dutch market, including customary standstill agreements (i.e. Fubon not increasing its shareholding above 20% without the prior written approval of the Company) and provisions relating to the exchange of information and Fubon's nomination rights described above.
- The Company agreed to take all actions as may be reasonably requested by Fubon in order for Fubon to obtain clearance, including a declaration of no objection, from DNB and the ECB to increase its ownership above 10% and to reasonably support Fubon in obtaining the necessary legal and regulatory approvals in its home jurisdiction.

In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share.

Having obtained the prior agreement in principle of the Joint Bookrunners, the Company agreed with Fubon in the Fubon Heads of Agreement to cause the Joint Bookrunners to include Fubon as a sub-underwriter in connection with the Offering. However, Fubon has confirmed to the Company and the Joint Bookrunners that it decided not to participate as a sub-underwriter and, for the avoidance of doubt, will not receive any fee from the Company or Underwriters in respect of the Offering.

Fubon and the Company also agreed to work collectively in good faith to implement the arrangements above.

Fubon and the Company have also agreed to explore opportunities for business co-operation for the benefit of both groups, for example asset management opportunities, reinsurance agreements and knowledge exchange. Any such arrangements will be on an arm's length basis.

On 4 March 2016, a shareholder, Highfields, commenced inquiry proceedings (*enquêteprocedure*) before the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof Amsterdam*) (the "Enterprise Chamber") seeking an independent investigation (*enquête*) into the policy and affairs of the Company dating from 1 August 2015 and to have the Enterprise Chamber appoint an independent expert to conduct such investigation. Highfields' application to the Enterprise Chamber also contained a petition for immediate injunctive relief with the effect of prohibiting the vote on the Rights Offering at the extraordinary general meeting planned for 16 March 2016. Another shareholder, Fubon filed a statement with the Enterprise Chamber supporting Highfields' requests on 10 March 2016, although it did not file a claim of its own. The Enterprise Chamber rejected Highfields' requests for immediate injunctive relief on 14 March 2016. The Enterprise Chamber has not yet issued a judgment on Highfields' request to order an independent investigation into the policy and affairs of the Company. In view of the urgency of the matter, the hearing that took place on 14 March 2016 and the Enterprise Chamber's judgment of the same date only concerned Highfields' requests for immediate injunctive relief. The Enterprise Chamber has reserved judgment on the request for an independent investigation and a separate hearing will be scheduled to hear the parties' arguments with respect to this request.

On 24 February 2016, the Supervisory Board announced that it planned to appoint Leon van Riet (51) as member of the Executive Board. The Supervisory Board will inform shareholders of the planned appointment of Leon van Riet at the General Meeting to be held on 19 May 2016, which will be followed by his formal appointment by the Supervisory Board. Leon van Riet is to succeed Onno Verstegen, who resigned as member of the Executive Board on 1 February 2016. DNB and the AFM have approved the planned appointment. Leon van Riet held several positions within the Group as of 1999 and has been Managing Director of DLL since October 2010. Leon van Riet assumed his position at the Group as an upcoming member of the Executive Board on 1 March 2016.

On 23 December 2015, the Group announced that it had sold its retail portfolio to European Property Investors Special Opportunities 4 ("EPISO 4") for EUR 273 million. The sale comprised 15 retail centres and premises at prime locations in the Netherlands. With this sale the Group has divested its entire commercial property portfolio.

On 16 November 2015, the Supervisory Board announced that it planned to appoint Clifford Abrahams as chief financial officer and member of the Company's Executive Board with effect from 1 January 2016. The Supervisory Board notified shareholders of the planned appointment at an extraordinary general meeting on 16 March 2016, following which Clifford Abrahams was formally appointed.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands.

On 21 August 2015, the Supervisory Board announced the appointment of Rob Ruijter to succeed Jean Frijns as Chairman of the Supervisory Board, with effect from 1 October 2015. Rob Ruijter has been a member of the Supervisory Board since 2014.

On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to the Chinese insurance company Anbang Insurance Group Co. Ltd ("Anbang"). The distribution agreement between Delta Lloyd Life Belgium and Delta Lloyd Bank Belgium was transferred to Anbang as part of the transaction. The sale of the Group's banking activities in Belgium was in line with the Group's strategy to strengthen its focus on insurance and selected banking products.

On 16 March 2015, the Company announced that it had successfully completed an equity offering of 19.9 million new Ordinary Shares via an accelerated book build. A significant number of the shares issued in the offering were allocated to a single new investor (Fubon). The Company used the authorisation of the annual shareholders' meeting from May 2014 permitting the issue of new Ordinary Shares representing up to 10% of its issued share capital.

On 24 February 2015, the Supervisory Board announced that it planned to appoint Annemarie Mijer-Nienhuis as chief risk officer and member of the Group's Executive Board from 21 May 2015. The Supervisory Board notified shareholders of the planned appointment at the annual shareholders' meeting on 21 May 2015, following which Annemarie Mijer-Nienhuis was formally appointed.

In 2010, the Group's German life business, Delta Lloyd Deutschland, stopped selling new business and was placed into run-off. On 1 October 2015, the Group announced the successful completion of the sale of 100% of the shares in Delta Lloyd Deutschland to Athene Holding Ltd ("Athene"). The sale was consistent with the Group's strategic focus on its core markets in the Netherlands and Belgium.

Strengths

The Group believes that it has the following key strengths:

Broad distribution networks and customer base, a diverse product mix, high intermediary satisfaction and strong brand recognition

- *Broad distribution networks allows access to a large potential customer base*

  In the Netherlands, the Group's multi-brand, multi-channel strategy permits it to distribute its insurance and other financial services products to a broad range of existing and potential customers. Delta Lloyd branded products are distributed primarily through Intermediaries, while ABN AMRO Insurance branded products are distributed mainly through ABN AMRO Bank N.V., which functions as the Group's dedicated label for Bancassurance, OHRA branded products are distributed primarily through direct channels. By positioning its brands in different market segments, the Group has the flexibility to offer both complex and simple insurance products, besides other financial products and therefore target a large potential customer base.

  In Belgium, the Group applies an omni-channel strategy, focused on a combination of brokers, bank channels and specialised employee benefits consultants.

  The Group believes that its distribution network represents a significant strength, allowing the Group to efficiently target the specific needs and pricing concerns of diverse groups of customers through the distribution channel of their choice.

- *Diverse product mix including production growth areas*

  The Group offers a diverse mix of products and services, from simple insurance products to bespoke and sophisticated insurance and banking products, as well as those that are complementary to typical insurance products, such as fund management services. The diversity of its product mix and the expertise it has developed in connection therewith enables the Group to adapt and respond to changing customer preferences. In particular, as changes in tax laws and low returns on unit-linked policies have made individual life insurance products less attractive to customers, the Group has been able to replace sales of such products with bank annuities offered through its banking business, which have now stabilised after several years of strong growth. In addition, the Group has strengthened its position in group pensions as more pension funds transfer liabilities to the insurance market. The Group has also responded to the increasing demand for defined contribution pension schemes through offering group defined contribution pension schemes through BeFrank since 2011. The Group believes that by offering a broad mix of products and services it can address most of the insurance-related needs of its existing and potential customers and position itself for growth opportunities in the markets in which it operates.

- *High Intermediary satisfaction*

  Satisfaction of the Intermediary channel, particularly in regards to levels of service, is a key driver for the commercial business lines in the Netherlands. In its pension business lines, the Group achieved the highest intermediary satisfaction in the market in 2012, 2013, 2014 and 2015. The Group's intermediary satisfaction remained at 7.6 (on a 1-10 scale, with 10 being the highest grade of satisfaction) in 2015, the same level it achieved in 2014. In the commercial general insurance business segment, the Group was number three in the market in terms of intermediary satisfaction in 2015 and its overall intermediary satisfaction improved from 6.9 to 7.2 between 2011 and 2015 (source: IG&H Management Consultants, Performance Surveys 2015).

  The Group considers high levels of service in relation to its Intermediaries as key to its future growth. The Group believes that it is well placed to leverage its strength and experience in intermediary satisfaction in its pension business for the benefit of its other business lines.

- *Strong brand recognition and reputation*

  Because of its longstanding presence in the market and focus on customer satisfaction, the Delta Lloyd brand is one of the best known insurance brands in the Netherlands, with a brand recognition of 87%, and customers associate the brand with professionalism and reliability (*source: GfK brand tracker Q2 2015*).

  The level of brand recognition of Delta Lloyd Life in its target audience in Belgium reached 78% in December 2014. The Group attributes this success to the media investments of both the Delta Lloyd Life and Delta Lloyd Bank Belgium (which has been sold to Anbang) brands, the inclusion of the Company on the Euronext in Brussels stock exchange and the positive press coverage of Delta Lloyd Life initiatives such as the Nationale Pensioenenquête. The level of aided brand awareness of Delta Lloyd Life in its target audience of small to medium sized enterprises ("SMEs") is even higher: at 85% in November 2014.

  The Group believes that its strong brand recognition reflects and underpins its relationship with Intermediaries, its direct customers, supporting customer retention and new business efforts.

- *Broad customer base in both commercial and retail business segments*

  The Group's access to a substantial number of customers translates into a broad customer base. At 31 December 2015, the Group had a total of 4.15 million customers in the Netherlands and Belgium. Of the overall customer base, approximately 177,000 customers are commercial customers and approximately 3.97 million are retail customers. Approximately 50% of the Group's customers have a life insurance policy. Of the total customer base, approximately 605,000 customers are customers of Delta Lloyd Belgium.

Leading market positions in select target markets

- *Market position in the Netherlands*

  The Group has leading market positions in the sales of several of the products that it offers in the Netherlands. From June 2013 through 31 March 2015, it ranked first in new business in defined contribution group pensions in most of the quarters in that period (*source: CVS)*. For the year ended 31 December 2015, the Group's NAPI for defined contribution was EUR 235.0 million, an increase of 14.7% compared to EUR 204.9 million in the year ended 31 December 2014. The Group's NBM for defined contribution contracts also improved to 4.0% in the year ended 31 December 2015, up from 2.9% compared with the year ended 31 December 2014. VNB for defined contribution contracts increased to EUR 81 million in the year ended 31 December 2015, compared with EUR 36 million in the year ended 31 December 2014. The Group's NBM for defined benefit contracts deteriorated to -2.4% in the year ended 31 December 2015, down from 3.1% in the year ended 31 December 2014. VNB for defined benefit contracts decreased to EUR -45 million in the year ended 31 December 2015, down from EUR 77 million in the year ended 31 December 2014. The Group's New Business Margin for individual business improved to 4.2% for the year ended 31 December 2015, up from 3.3% in the year ended 31 December 2014. VNB for individual business increased to EUR 42 million in the year ended 31 December 2015, up from EUR 29 million in the year ended 31 December 2014. The Group's total New Business Margin deteriorated to 1.5% in the year ended 31 December 2015, down from 3.0% in the year ended 31 December 2014. Total VNB decreased to EUR 72 million in the year ended 31 December 2015, down from EUR 137 million in the year ended 31 December 2014. For more information on New Business Margin and VNB, see "*Important Information—Presentation of Financial and Other Information—Non-IFRS Information*" and "*—Capital Objectives—Business value drivers—New Business Margin*".

In 2014, the Group was second in fire and fourth in motor insurance in the Netherlands, in each case based on GWP (*source: DNB*).

- *Growth in target markets*

  In the Netherlands, the Group had an overall market share of 10% in 2014, based on GWP, which reflected a 12% share of the life insurance market and a 9% share of the general insurance market (*source: DNB 2014 market data*).

  In Belgium, the Group has grown significantly in recent years, doubling its GWP from December 2008 to December 2014 through the acquisition of Swiss Life Belgium in 2008. In 2014, the Group was the eighth largest life insurance company in Belgium based on life GWP (*source: Assuralia, 2014*).

  The Group believes the growth in its target markets is linked to the diversification of its products and services, as well as the expansion of its distribution channels to reach increasing numbers of potential customers.

  Since 2014, the Group has targeted market segments which are relatively less capital intensive, especially in the group life market where the Group has been focusing on defined contribution pension schemes over defined benefit pension schemes and on annual premium insurance contracts over single premium insurance contracts. This shift in focus is clearly visible in the Group's new business market shares. Between 2013 and mid-2015, the Group's market share in annual premium insurance contracts in the defined contribution market segment increased from 25.6% to 54.2%, whereas its share of single premium insurance contracts decreased from 37.7% to 35.0%. In the defined benefit market segment, the new business market share declined from 64.1% to 5.3% with annual premium insurance contracts declining from 33.9% to 2.0% (*source: CVS*).

- *Successful long term partnerships and joint ventures*

  The Group has a number of successful long-term partnerships and joint ventures, most notably with ABN AMRO Bank N.V. and CZ. Since 2003, the Group has sold insurance under the ABN AMRO Insurance brand through a joint venture between the Group and ABN AMRO Bank N.V. At 31 December 2015, 13.9% of the Group's total GWP were attributable to ABN AMRO Insurance branded products, illustrating the important contribution this joint venture makes to the Group's overall results. The Group believes that the joint venture with ABN AMRO Bank N.V. leverages its insurance knowledge, adding significant value to the ABN AMRO Insurance brand, while ABN AMRO Bank N.V. offers a well-diversified distribution channel and a substantial customer base. ABN AMRO Bank N.V.'s retail banking currently serves approximately 5 million retail clients and 350,000 small businesses, which are offered financial advice and a full range of retail products, including insurance products. In addition, the Group has had a partnership with the health insurer CZ since 2007. As part of this partnership, CZ distributes income and absenteeism-related insurance policies underwritten by the Group but CZ-branded to CZ's customers, while the Group distributes CZ-underwritten but Delta Lloyd or OHRA branded health insurance policies to the Group's customers. The Group is able to access a high quality and profitable health insurance product offered by CZ and also benefits from opportunities to cross-sell certain of the Group's other insurance, banking and investment products to customers with CZ-underwritten health insurance policies (that are Delta Lloyd or OHRA branded). The Group believes that these and the other long-term partnerships and joint ventures it is a party to provide it with important additional distribution channels and the ability to access additional customers.

Track record of delivering on cost savings initiatives

- *Cost reductions and sharing programme*

  Through its cost savings plan, the Group has actively sought to reduce the cost base or operational expenses of the Group (which excludes one-off costs associated with strategic projects, restructuring, impairments, run-off activities and terminated contracts), by for example decreasing expenses associated with information and communication technology (i.e. reduction of information technology systems, straight through efficiency processing implementations), office equipment and supplies, consulting services and management bonuses. Cost savings are important for the Group, as they positively impact its product margins and overall financial position. In addition, the Group has control over cost savings and can directly influence them, which differs from other factors affecting the Group's business that are outside its control, such as life expectancy (for life insurance and pension products) or accidents (for general insurance products). Realising cost savings has been a key initiative of the life insurance business segment, especially in relation to managing the back-books in the most efficient way possible. The Group is seeking a back-book cost reduction target in 2016 of 10% (within the overall target above). The general insurance business segment is focused on the digitalisation and customer retention aspects of its retail offerings as a means to improve services to the customers and to reduce costs.

  Between 31 December 2009 and 31 December 2015, the Group's operational expenses have decreased by 36.6% (to EUR 618.6 million) and its staff decreased by 31.5% (to 4,738.7 permanent and temporary full time equivalents ("FTE" or "FTEs")). In the year ended 31 December 2015, the cost savings plan resulted in operational expenses of EUR 618.6 million, which were within the Group's operational expenses target of EUR 620 million for the year, compared to EUR 605 million for the year ended 31 December 2014. This slight increase was mainly due to higher pension service costs. The Group is focused on cost discipline and operational cost reduction and is targeting a reduction in operational expenses for 2016 to below EUR 610 million reflecting a balance between cost savings and important reinvestment (for example in digitalisation) and a further reduction to less than EUR 560 million in 2018. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Efficiency and Cost Reduction Initiatives*".

Revised Strategy

The Group's strategic objective is to create value for its stakeholders by being recognised as a reliable and highly valued financial services provider in the Netherlands and Belgium with a focus on insurance. The Group believes it can create value for stakeholders primarily through enhancing its understanding of customer needs and providing an excellent customer experience. In order to achieve this strategic objective, in 2015 the Group reviewed its strategy against the evolution of long term insurance industry trends and the changing regulatory environment in which it operates and adopted a new strategy: "Closer to the customer". This strategy focuses on getting closer to customers by leveraging the Group's broad distribution network, strong brand recognition and diverse product offering, as well as leveraging technology to offer relevant products and services to its customers in the right way and at the right time. To be able to do so, the Group aims to expand its digital and data capabilities. Furthermore, based on insights gained from customers and its experience as an insurer, the Group plans to develop sustainable, future-ready products and integrated solutions for its customers, which take into account new types of risks facing customers.

The Group seeks to achieve its strategic objective while continuously improving cost and capital efficiency and enhancing profitability. The Group believes that its focus on getting closer to its customers will increase customer satisfaction and loyalty, create a platform for the Group to cross-sell additional products and services to customers, enable future growth in its core markets, reduce costs and increase the level of premiums received from customers and thereby contribute to realising sustainable and stable value creation for all of its stakeholders: customers, shareholders, distribution partners, employees, suppliers and society at large.

The Group intends to leverage its commercial strength and market positions in its chosen segments to deliver the right type of business in light of the changing regulatory environment. 'Value over volume' is one of the leading principles for each of its product lines. This means that the Group targets overall stable and healthy margins and will only grow in volume if it is expected to be value accretive over time. An example of this strategy in practice is the Group's withdrawal from the pension fund "buy-out market", where commercial insurance companies take over the assets and liabilities of pension funds. This is a relatively low margin market and the Group has proactively sought to decrease its market share since 2014.

The Group plans to enter into a strategic partnership with Delta Lloyd APF, involving funding, licensing, administrative services and various other business services, to facilitate a sustainable working relationship between the Group and Delta Lloyd APF, a new type of general pension fund of strategic importance to the Group. APFs offer the possibility to service multiple pension assets in separate compartments. APFs group multiple corporate pension plans together under the management of a single independent board (a non-profit foundation), while ring-fencing assets to offer a defined benefit-type scheme with no guarantees.

The Group is transitioning to a more fee-driven business model. It is focusing on lower risk, less volatile products with a relatively higher Solvency II risk-adjusted return, which generate capital and cash.

The Group focuses on reducing overall complexity in its way of working and on becoming a more agile and innovative organisation. In order to improve operational efficiency and to respond more quickly to market and customer demands, the Group reorganised its business model by integrating its commercial activities into its life insurance, general insurance and banking business segments. To gain a better understanding of its customers' needs and requirements, as part of the "Closer to the customer" strategy, the Group created the new Customer, Brand & Digital business unit. The Group believes that this new business unit will allow it to respond faster, more efficiently and more actively to the needs of customers and offer customers the right solutions. In addition, IT is partially integrated into each of the Group's business segments to improve time-to-market within certain set IT standards and ensure better cooperation.

The Group's revised strategy has been adapted to allow it to optimise its capital position and returns in the new Solvency II era, which became effective on 1 January 2016. Alongside its revised strategy, the Group has also implemented a number of management actions and capital measures and intends to take further actions in 2016 and in the longer term, as described below.

"Closer to the customer"

The Group's strategy builds upon its mission statement and consists of three key factors to achieve success as shown in the graphic below.

Factors That Are Key To Success

The Group has identified three key factors that are important to achieving its mission of getting closer to, and creating value for, its customers:

- *Excel in fulfilling customer needs*. The Group intends to excel in fulfilling customer needs by offering high levels of customer service and having more direct relevant interactions with its customers. The Group believes this can be achieved by adopting a pro-active approach to better understanding a customer's needs, including through the increased use of data driven decision making.

- *Multi-channel distribution.* The Group intends to leverage its multi-channel distribution capabilities by adapting to changes in the market place where customers themselves determine how they interact with the Group. The Group intends to provide access to products, services and advice from its partners or directly at any time and using any device. The aim is to provide a customer with a seamless multi-channel interaction with the Group's brands and its primary Intermediaries and Bancassurance partners.
- *Leverage technology*. The Group intends to leverage technology by investing in IT systems that will permit the Group to better capture information about its customers across brands as well as supporting online sales, service and customer communication channels for the Group and its distribution partners. Continuing to reduce its legacy systems and creating an open infrastructure are important preconditions.

Enablers of Success

The Group has identified the following key enablers for realising the factors that are key to success:

Alliances and partnerships

The Group believes it needs to maintain and further develop critical scale in its core markets to operate efficiently and to provide high levels of customer service to its customers and distribution partners. In business areas where critical scale has not been achieved to date, the Group intends to utilise its distribution networks and partner with other producers or service providers to offer the Group's customers complementary products and services. An example of such a partnership is the Group's distribution arrangement with CZ for health insurance products.

Analytics and innovation

The Group believes that data driven decision making throughout the organisation is essential to its success in fulfilling customers' needs. Data mining software permits the Group to learn more about customers. It allows the Group to look for patterns in customer data for commercial actions, and to use customers' risk profiles based on data analytics for price and risk differentiation and fraud detection. Data tools will also be used to improve the customer experience by shortening claim handling times and settling claims quicker by making swift and consistent decisions based on a customer's profile. Data driven decision making provides the Group with an improved platform for innovation. The priority for innovation will be to meet customer needs and enhance the Group's multi-channel distribution. The Group aims to quickly recognise good, innovative ideas in the market and implement such ideas within its organisation. The Group will seek to collaborate with partners where that would lead to a more efficient implementation and execution process. Additionally, the Group is continuing to move more of its life business online, bringing its life and non-life insurance products together in a single digital platform, both to streamline its processes internally and make it easier for customers to interact with the Group and take care of all their insurance needs in one place.

Human Capital

The Group plans to strengthen its workforce planning to ensure its employees have competencies that are aligned with its strategy. The Group believes that it is important to attract talent and to develop, empower and retain its employees.

Risk and capital management

In order to enhance its risk and capital management, the Group will establish clear objectives and metrics to track financial and non-financial performance and will monitor initiatives and only make investments where there is a sustainable business case.

As part of risk and capital management, the Group is seeking to successfully manage the transition towards a more fee-driven business model and, as a consequence margins on fee-driven business (for example, BeFrank or asset management fees) are expected to increase in relative importance to the Group compared to investment results. In this transition, growth in assets under management will be important to supporting future profitability.

The Group has aligned its strategy to operate in a Solvency II environment by increasing its focus on lower risk, less volatile products with a relatively higher Solvency II risk-adjusted return and generation of capital and cash:

- The Group life insurance strategy has been to shift toward capital light products by focusing new business on defined contribution pension schemes (rather than defined benefit pension schemes), PPI and APF in the Netherlands. In Belgium, the Group is moving away from focusing on guaranteed products towards unit-linked and protection products.

- The general insurance business segment is a key priority of the group, contributes to Solvency II capital generation and offers diversification benefits to the Group's life business. The general insurance business segment has established a COR that is consistently below the target of less than 98%, driven by pricing, efficiency and effective claims management.
- The new business focus of the asset management segment is on select third party and institutional funds, to provide a stream of fee and commission income.
- The banking business segment is focused on the efficient origination of mortgages with low LTV and long fixed interest rate durations and on being a targeted producer of bank annuities.

The Group has taken and believes it will need to continue to undertake management actions and capital measures to ensure the Group's solvency position is strengthened as the Group operates under the new Solvency II regime, which became effective 1 January 2016. As part of the Capital Plan, the Group has established a Solvency II (SF) target range of 140 to 180% and a target run-rate Solvency II (SF) Net Capital Generation of EUR 200-250 million per year.[17] The Group is taking steps to meet these targets. For additional information, see "*Business—Revised Strategy*" and "*Business —Capital Plan*". The Group's Capital Plan is complemented by its ongoing efficiency improvement and cost reduction initiatives as well as the acceleration of the shift from capital intensive to capital light products, such as group defined contribution products, as described above. See "*Operating and Financial Review—Key Factors Affecting Results of Operations—Efficiency and Cost Reduction Initiatives*".

The general insurance business segment is focused on the digitalisation and customer retention aspects of its retail offerings as a means to improve services to the customers and to reduce costs.

Asset and liability management

Asset and liability management is a key priority for the Group. The Group believes that its asset management operations are particularly important in the transition to Solvency II and that the Group, with strengthened risk management where needed based on internal and regulator investigations, has the expertise to analyse and risk-weight opportunities to optimise risk-return ratios under the new Solvency II regime. In addition, as the Group moves increasingly to fee-results related products, the success of its asset management business will be a critical contributor to wealth accumulation propositions and growing assets under management.

Values and way of working

The Group seeks to become more agile and innovative and reduce the complexity of its operations. To this end, the Group has integrated its commercial activities into its life insurance, general insurance and banking business segments, centralised functions such as brand, online and strategic marketing and integrated IT into each business segment to improve time-to-market and facilitate better cooperation.

Capital Plan

Capital Plan and Solvency II

Despite the Group's strong commercial and operational performance, its business model is not sufficiently optimised for Solvency II. The development of the new Solvency II regulatory framework has been a long and complex process. In order to optimise the balance sheet in anticipation of Solvency II, the Group made changes to the business mix several years ago, for instance by shifting the focus of its life insurance new business from defined benefit pension schemes to the capital light defined contribution pension schemes. In 2015, the Executive Board decided to accelerate the shift towards relatively lower risk, less volatile products and move the investment portfolio towards relatively higher Solvency II risk-adjusted returns. However, the legacy of the Group's existing defined benefit pension schemes still impacts its capital position and the provisions associated with the defined benefit back-book will only be released over the long term.

[17] Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.

On 30 November 2015, the Group announced a new capital plan, including the Offering, comprised of management actions and capital measures designed to ensure the Group is strongly positioned in the new era of Solvency II (the "Capital Plan"). After executing its Capital Plan, the Group believes it will be appropriately capitalised to implement its strategy and operate in the new Solvency II environment.

The Capital Plan focuses on aligning the Group's strategy and its capital requirements in order to enable it to operate successfully in a Solvency II environment. The intention of the Capital Plan is to build on the Group's strong franchise and track record of commercial and operational strength by implementing management actions and capital measures to support the Group's Solvency II position in order to allow it to focus on capital generation and the payment of cash dividends.

As a result of volatility in the results produced by its internal model, the Group decided in 2015 to adopt the Solvency II SF to determine its capital requirements. The Group has established a Solvency II target range (SF) of 140 to 180% taking into account, among other factors, the impact of market stresses, rating considerations, uncertainties regarding Solvency II and a peer comparison.

Based on its completed management actions (see Completed Actions below), and assuming the completion of the Offering, the Group expects to reach a solvency position it believes will allow the Group to cope with market volatility, absorb reasonable stress scenarios and the remaining material regulatory uncertainties (principally, any change to the UFR), and give it a strong foundation from which to execute its strategy and deliver customer-focused, profitable and capital-generative new business.

As part of the Capital Plan, the Group has completed a number of management actions, including in the fourth quarter of 2015, and plans to take further actions, including in 2016, in the future across its business segments in order to further improve capital generation and efficiency and its ability to pay cash dividends. The Group has recently clarified with DNB a number of important Solvency II interpretive questions regarding the calculation of its Solvency II ratio (SF), including the extent to which it may reflect the LAC DT and the Longevity Derivatives when calculating its Solvency II ratio (SF) and the conditions for doing so, although other material regulatory uncertainties still exist (principally, any change to the UFR). The Group's ability to recognise LAC DT is subject to completion of the Offering and the continued availability of certain credit facilities. Maintaining the solvency benefit of the Longevity Derivatives requires various conditions to be satisfied, including restructuring the Longevity Derivatives to ensure they are treated as reinsurance contracts. Absent this restructuring, there would be a further adverse impact of 7% points on the Group's Solvency II ratio (SF).

Completed Actions:

- Two longevity hedge transactions entered into during 2014 and 2015, respectively;
- Equity offering of 19.9 million new Ordinary Shares via an accelerated book build, which raised gross proceeds of EUR 337 million, in March 2015;
- Disposal of certain of its non-core activities, including Delta Lloyd Bank Belgium and Delta Lloyd Life Deutschland;
- Restructuring of the EUR 404 million[18] subordinated loan from Fonds NutsOhra to facilitate Solvency II grandfathering for a period of three years;
- Restructuring agreements between the Group's insurance subsidiaries and the asset management business (the "Revised Mandate");
- Unwinding of a securitisation vehicle;
- Reallocation of mortgage portfolios to the Group's Belgian life business;
- Sale of office investment portfolio to First Sponsor Group for EUR 226 million on 13 November 2015; and
- Sale of entire retail portfolio to EPISO 4 for EUR 273 million, which closed at the end of December 2015.

The management actions completed since the announcement of the Capital Plan on 30 November 2015 (the Revised Mandate, the unwinding of a securitisation vehicle and the sale of the commercial real estate portfolio) resulted in a 7% point increase reflected in the Group's Solvency II ratio (SF) as at 31 December 2015.

[18] Notional amount of subordinated loan at 31 December 2015.

Actions Planned for 2016:

- The Company plans to sell its 30% stake in Van Lanschot via a marketed share offering, subject to market conditions.[19] Van Lanschot has agreed to cooperate in preparations for the sale. Assuming a sale at the trading price of Van Lanschot's shares on Euronext Amsterdam on 31 December 2015, the sale of the Van Lanschot stake is estimated to deliver an approximate 8% point increase in the Group's Solvency II ratio (SF);
- The Group plans to implement further asset-liability management and other actions by year-end 2016, which are currently estimated to deliver an approximate 10 to 15% point increase in the Group's Solvency II ratio (SF), including:
  - Reducing currency risk, equity risk and credit risk exposure to enhance resilience and reduce the SCR;
  - Modelling enhancement in the Group's life business in Belgium and its treasury function at the Company level;
  - Extending the duration of the Longevity Derivatives and to assess the restructuring of them to be reinsurance contracts in order to meet the commitments made during the Group's discussions with DNB; and
- The Group has committed to implement a group liquidity plan to support DLL and Delta Lloyd Schadeverzekering in a severe stress event that results in the solvency ratios falling below the minimum capital requirement ("MCR") compliance levels. In such an event, the Group must be able to provide DLL and Delta Lloyd Schadeverzekering with sufficient capital injections to meet the MCR for LAC DT to be recognised. The Offering forms part of these LAC DT recovery plans. The relevant arrangements are expected to be implemented in three phases over the coming months.
  - **Phase 1:** Immediately following the Offering, short term reliance on Group liquidity sources and existing credit lines.
  - **Phase 2:** Move in the short to medium term to extend the credit lines available to the Group (up to EUR 700 million), reducing the need for Group funds to be specifically earmarked for DLL and Delta Lloyd Schadeverzekering.
  - **Phase 3:** In the medium term, reduce reliance on Group liquidity lines by raising funds internally to meet MCR. Phase 3 incorporates plans for contingent capital reinsurance, SCR reduction through hedging strategies and debt restructuring.

Ongoing:

- The Group has committed to DNB to further improve the partial internal model and implement it by 1 January 2018. Any partial internal model will model at least the following modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk.
- Acceleration of shift towards capital light products, for example:
  - Group life insurance is focused on defined contribution products and PPI;
  - The Group has moved away from guaranteed products in Belgium and towards unit-linked and protection products;
  - The Group has a strong focus on new business profitability, particularly through optimal pricing;
  - The Group is seeking to grow and diversify its general insurance and asset management businesses.
- The Group is focused on cost discipline and operational cost reduction and is targeting a reduction in operational expenses to less than EUR 610 million in 2016 reflecting a balance between cost savings and important reinvestment (for example in digitalisation) and a further reduction of operational expenses to less than EUR 560 million in 2018. The reduction of legacy IT, straight through processing, digitalisation and online services is expected to contribute to achieving these targets.

[19] The Group's 30% interest in Van Lanschot (unchanged from 31 December 2014) was valued at EUR 263 million based on a share price of EUR 21.23 per share at 31 December 2015. During the period between 1 January 2015 and 21 March 2016, the trading price of Van Lanschot's shares on Euronext Amsterdam reached a high of EUR 25.70 per share and a low of EUR 16.66 per share.

Managing the Group's back-book in the most efficient way possible is also part of this focus on cost discipline. The Group is seeking a back-book cost reduction target in 2016 of 10% (within the overall target above).

- The Group remains actively focused on identifying further capital enhancing management actions for future implementation.

The Group's Solvency II ratio (SF) was 131% as of 31 December 2015, which reflects the impact of the completed management actions.[20] As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%.[21] The net decrease of 5% points reflects a positive contribution from the completed management actions in the fourth quarter (+7% points, principally arising from the Revised Mandates), exclusion of Delta Lloyd Bank Netherlands and Van Lanschot from the Solvency II ratio calculation as required by DNB (+2% points) and other changes (+2% points), which were more than offset by the treatment of the Longevity Derivatives for Solvency II purposes discussed with DNB (-14% points) and the resolution of the extent to which LAC DT may be reflected in the Group's Solvency II ratio (-2% points).

The Solvency II ratio (SF) as at 31 December 2015 includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

Pro forma for the receipt of the gross proceeds of the Offering, the Company estimates that its Solvency II ratio (SF) would have been 156% as of 31 December 2015.

As part of the Capital Plan, the Group has established a target run-rate Solvency II Net Capital Generation of EUR 200-250 million per year, and aims to deliver a stable annual dividend to the shareholders.[22]

While the Group currently uses the more prescriptive SF to determine its Solvency II capital requirements, the Group continues to update and test its partial internal model, and it intends to implement the partial internal model by 1 January 2018, which it has committed to DNB.

Capital Objectives

Management has set two key capital objectives for the Group: Net Capital Generation of EUR 200-250 million per year and stable dividends:

Net Capital Generation

Management's aim is to achieve Net Capital Generation on a Solvency II basis within the range of EUR 200-250 million per year.

[20] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

[21] The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the EIOPA in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

[22] Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.

Net Capital Generation is unaudited and is not a measure of financial performance under IFRS. Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal components and key drivers of Net Capital Generation are expected to be:

- Excess return on investments over the volatility adjustment, which is expected to be an important contributor to Net Capital Generation and to be principally driven by credit spreads, risk premiums, asset-allocation and leverage;
- New business generated in the Life business net of the capital required to support that new business, which is expected to be principally driven by the level of market competition and the continuing shift of defined benefit to defined contribution products;
- Unwind of risk margin (technical provisions) and SCR as the defined benefit back-book runs off, which are expected to be key contributors to long-term Net Capital Generation and will reflect the long-term nature of the back-book and the Group's operational and asset liability management initiatives;
- Technical results of the general insurance and asset management segments, plus dividends received from the Delta Lloyd Bank Netherlands, less the operational and non-operational expenses of the Company, which are expected to be influenced by the level of market competition and the success of the Group's cost initiatives; and
- The amortization of the UFR benefit (i.e., the expected impact of unwinding the available capital effect of the UFR, if interest rates stay at current levels), which is expected to have a significant negative effect on Net Capital Generation and be driven principally by prevailing interest rate levels.

Net Capital Generation cannot be viewed as a replacement or basis for establishing the Group's IFRS net profit result or underlying IFRS earnings for the current financial period or subsequent financial periods.

Distribution to shareholders

The Executive Board aims to deliver a stable annual dividend to Shareholders, subject to its ladder of intervention (see *"Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II"*) and the approval by the shareholder meeting. In addition, the Executive Board expects to take into account all relevant factors in determining whether to recommend a dividend, including the Group's then current and anticipated liquidity and regulatory requirements.

For the financial year 2016, the Group is targeting a dividend of EUR 130 million. The targeted amount for 2016 is higher than the aggregate amount of the cash dividend payments in each of 2014, 2013 and 2012 (2014: EUR 87 million, 2013: EUR 71 million, 2012: EUR 73 million). Due to dilution resulting from the Offering, however, the targeted dividend for 2016 would be lower than in those years on a per share basis.

Business value drivers

Management regards the following indicators as key input drivers for capital generation. These indicators are internally used by the Group to optimise capital generation in each business segment.

New Business Margin

NBM is used by management as a key performance indicator of its life business segment. NBM is defined as VNB divided by the present value of new business premiums. Management's aim is to introduce near-term targets by product line for NBM in 2016. The Company plans to improve New Business Margin by accelerating the shift towards capital light products and focusing on pricing.

VNB is the value of the expected future profits arising from new business written during the previous year and includes all of ABN AMRO Levensverzekering N.V.'s new business (and not 51% thereof, in line with the Group's share of ownership). New business is valued with market consistent stochastic valuation techniques set by the Group. The methodology includes a cost of non-hedgeable risk (uncertainty margin) based on economic capital at Group level and the frictional costs are based on Solvency I capital requirements (100%). VNB is determined at the end of the reporting period, using point of sale Solvency II yield curves, including a volatility adjustment, as of 2015, and expected excess investment returns between point of sale and the end of the period. Note that VNB in the year ended 31 December 2014 was based on a liquidity premium as opposed to a volatility adjustment. VNB is calculated based on the economic assumptions as at the start of the applicable quarter. Exceptions are immediate annuities, the VNB of which is calculated based on economic assumptions as at the start of the month of sale, large group single premium contracts that are priced at actual market rates and for the Belgian business, weighted average economic assumptions during the year are applied. VNB is calculated based on the non-economic assumptions at a best-estimate level as at the end of the applicable reporting period and includes look-through benefits from Delta Lloyd Asset Management and corporate overhead expenses.

The New Business Margin is defined by dividing VNB by the PVNBP, whereby the PVNBP is calculated using methodology and assumptions consistent with those used in the VNB.

COR

- Management's aim is to achieve an annual COR for the general insurance business segment of no more than 98% across the business cycle (excluding terminated and run-off activities and market interest rate movements.

Cost levels

- The Group continues to optimise its business segments in response to market developments with a view to reducing costs, creating economies of scale and enhancing efficiencies. The Group has an established cost reduction programme with external targets in place, as described in "—*Capital Plan*" above.

  For a more detailed discussion of the Group's cost reduction programme, see "*Operating and Financial Review—Key Factors Affecting Results of Operations—Efficiency and Cost Reduction Initiatives*" and "*Operating and Financial Review—Summary of the Business—Capital Plan and Solvency II.*"

Risk Parameters

Management of the Group believes that the resilience and sustainability of the Group's business can be measured by the following key indicators:

Group solvency

- Management's aim is to achieve a Solvency II ratio (SF) within the target range of 140 to 180%, as described above under "—*Capital Plan*".

Leverage of the Company and liquidity at Company level

- Management intends to introduce near-term targets for the leverage ratio and liquidity position at the holding company level in 2016.

Assumptions underlying the targets

Management has set the above objectives as part of its strategy for the medium term. These targets do not constitute a profit forecast, should not be interpreted as such and therefore are not an expression of the likelihood that the targets will be achieved or that the Group's financial results will necessarily match the Group's targets in any particular period. In particular, Net Capital Generation is not an IFRS measure and does not directly identify profitability in any period. The Group's ability to meet its targets depends on the accuracy of various assumptions involving factors that are, in part, significantly or entirely beyond the Group's control and are subject to known and unknown risks, uncertainties and other factors that may result in the Group being unable to achieve these targets. See also "*Risk Factors*". If one or more of the Group's assumptions are inaccurate or if any of the risks as included in "*Risk Factors*" should actually occur, the Group may be unable to achieve one or more of its targets. These targets are forward-looking statements (see "*Important Information—Forward-Looking Statements*").

History

The Group's history dates back to 1807. In that year, the Hollandsche Societeit van Levensverzekeringen N.V. was established, making the Group the oldest existing life insurer in continental Europe. Hollandsche Societeit van Levensverzekeringen N.V. strengthened its position in the insurance and investment market by merging with Amsterdamse Maatschappij van Levensverzekering N.V. in 1967. The resulting entity, Delta, then merged with the general insurance company Nedlloyd to create the Company (in its then current form) in 1969.

Commercial Union, a UK-based insurer with an extensive international network, acquired the Company in 1973, while the Company retained operational independence and continued to operate under its own brand name in the Dutch market. Commercial Union merged with General Accident in 1998 to form CGU plc, which then merged with Norwich Union plc in 2000 to create CGNU plc, which was renamed Aviva plc ("Aviva") in 2002.

Through various acquisitions and mergers in the Netherlands, Germany and Belgium and its joint venture with ABN AMRO Bank N.V., the Group has evolved to become a financial services provider offering life insurance, general insurance, asset management and banking products and services. One of the most important mergers in this regard was the merger with Nuts OHRA Beheer B.V., a Netherlands-based direct insurance writer. Nuts OHRA Beheer B.V.'s shareholder, Vereniging NutsOhra (now called Stichting Fonds NutsOhra ("Fonds NutsOhra")) became a shareholder at the time of the merger. Following the merger, the Company (in its then current form) had two shareholders, Aviva, which held 92% of the voting rights, and Fonds NutsOhra, which held 8% of the voting rights. The merger allowed the combined company to begin to pursue its multi-brand, multi-channel distribution strategy in the Netherlands, as distribution expanded from Intermediaries (Delta Lloyd) to also include direct sales (OHRA).

On 3 November 2009, the Company obtained an official listing on Euronext in Amsterdam. Since 23 January 2013, the Company has been listed on Euronext in Brussels and the Company is included in the BEL20 index, the primary Euronext Brussels Index, as from 18 March 2013. As of March 2014, the Company was included in the Amsterdam Exchange Index (AEX index) of the 25 largest and most actively traded shares listed on Euronext in Amsterdam. From 18 March 2016 on, the Company will be included in the Amsterdam Midcap Index (AMX), consisting of the 25 second largest (rank 26-50) and most actively traded shares listed on Euronext in Amsterdam. As of 21 March 2016, the Company will be excluded from the BEL20 Index and included in BEL Mid Index.

On 21 July 2014, the Group obtained full ownership of BeFrank, enhancing the Group's recognition in the market for group defined contribution pension schemes. BeFrank is a type of pension administrator that offers innovative pension products at a very low cost.

On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to the Chinese insurance company Anbang. The distribution agreement between Delta Lloyd Life Belgium and Delta Lloyd Bank Belgium was transferred to Anbang as part of the transaction. The sale of the Group's banking activities in Belgium was in line with the Group's strategy to strengthen its focus on insurance and selected banking products.

On 1 October 2015, the Company announced the sale of its German life business to Athene. In 2010, Delta Lloyd's German life business stopped selling new business and has since been in run-off. The sale closed on 1 October 2015. The transaction supported the Group's strategic focus on its core markets in the Netherlands and Belgium.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands.

On 23 December 2015, the Group announced that it had sold its retail portfolio to EPISO 4 for EUR 273 million. The sale comprised 15 retail centres and premises at prime locations in the Netherlands. With this sale the Group has divested its entire commercial property portfolio.

Life Insurance

Overview

The Group's life insurance business segment was the fifth largest life insurer in the Netherlands in 2014 based on GWP (third in group life and fifth in individual life), with a 12% market share in 2014 (*source: DNB* *market data*). The Group also sells life insurance in Belgium, where it had a market share in 2014 of 5.52% based on GWP (*source: Assuralia 2014*). The life insurance business segment's Net Operational Result was EUR 591.8 million for the year ended 31 December 2015 and EUR 362.0 million (InvSp) for the year ended 31 December 2014, representing 87.3% and 83.5% of total Group Net Operational Result, respectively (excluding the recently sold German life business).

The Group offers a range of products from simple insurance products to bespoke and often sophisticated individual and group life insurance products, as well as basic savings and financial planning services through its multiple brands. Its core life insurance products include pension (in particular group pension) products and administration services for group customers and traditional and unit-linked life insurance and savings products for individual customers. The Group offers individual and group life insurance in the Netherlands, principally under the Delta Lloyd, BeFrank, ABN AMRO Insurance (joint venture with ABN AMRO Bank N.V.) and OHRA brands. The Group has decided to phase out the OHRA brand and convert it to the Delta Lloyd brand for banking products and new business life insurance, with the exception of term life. The life insurance products offered by the Group utilise different customer and pricing strategies through Intermediaries (Delta Lloyd), the Group's dedicated label for Bancassurance (ABN AMRO Insurance) and direct (OHRA) distribution channels. Through BeFrank, the Group offers group defined contribution pension schemes (second pillar) since 2011. BeFrank is a PPI, a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a very low cost. At 31 December 2015, it had assets under management of EUR 618 million, compared with EUR 400 million at 31 December 2014, and contributed significantly to increased total life provisions. In Belgium, the Group sells individual and group life insurance primarily under the Delta Lloyd brand, distributed through brokers, bank channels and specialised employee benefits consultants.

In 2010, the Group's German life business stopped selling new business and has since been in run-off. In January 2015, the Company announced the sale of this business to Athene. Athene acquired 100% of the shares in Delta Lloyd Deutschland on 1 October 2015. The transaction supported the Group's strategic focus on its core markets in the Netherlands and Belgium.

Life insurance generated EUR 2,683.7 million in GWP in the year ended 31 December 2015 and EUR 2,626.6 million in GWP in the year ended 31 December 2014.

The table below shows the breakdown of life insurance GWP and net result by country for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December					
	2015		2014		2013	
	GWP	Net result	GWP	Net result	GWP	Net result
	(EUR million)					
The Netherlands	1,881.3	88.6	1,863.4	562.1	2,541.1	-3.7
Belgium	802.3	101.8	763.2	-102.7	788.6	155.8
Germany[1]	—	-0.5		22.6	259.5	11.8
Total	**2,683.7**	**190.0**	**2,626.6**	**482.0**	**3,589.2**	**163.9**

(1) In run-off since 2010 and sold to Athene in October 2015. The net result of Germany is presented under the line item "result after tax from discontinued operations" in the income statement.

The Netherlands

Products

The focus of the Group in the Dutch life insurance business is group pensions (defined benefit, defined contribution and PPI), which accounted for 55.2% (EUR 1,039.2 million) of life insurance GWP, and 78.4% (EUR 338.4 million) of the Group's present value of new business premiums, in the year ended 31 December 2015. The remainder of the business segment's Dutch life insurance business comprises term life insurance, individual immediate annuities, traditional savings mortgage-related life insurance and other life insurance products marketed to individuals and SMEs.

The business segment's life insurance products are either traditional policies or unit-linked policies. Under traditional policies, the Group bears the investment risk. Pure unit-linked policies are those in which the policyholder bears the investment risk. Other unit-linked policies guarantee a minimum investment return or minimum accumulation at maturity to the policyholder. Many of the Group's unit-linked products contain such guarantees. Certain products can be sold in the form of a traditional product as well as in the form of a unit-linked product. For a description of key product characteristics with respect to profitability, see "*Operating and Financial Review—Key Factors Affecting Results of Operations—Drivers of Profitability in the Group's Life Insurance Business*".

The table below shows the breakdown by product category of life insurance GWP for the years ended 31 December 2015, 2014 and 2013:

Gross Written Premiums	Year ended 31 December 2015	2014	2013
		(EUR million)	
Group Policies			
Traditional			
—annual premium	335.1	332.0	265.2
—single premium	177.3	318.6	870.4
—reinsurance premium[1]	8.3	8.7	5.1
Unit-linked			
—annual premium	404.6	345.6	360.1
—single premium	113.9	101.1	85.8
—reinsurance premium[1]	0.0	0.0	0.0
Individual Policies			
Traditional			
—annual premium	196.4	178.1	199.4
—single premium	325.9	200.0	342.1
—reinsurance premium[1]	1.1	1.3	0.5
Unit-linked			
—annual premium	296.0	345.8	379.6
—single premium	22.7	32.2	33.0
—reinsurance premium[1]	0.0	0.0	0.0
Total	**1,881.3**	**1,863.4**	**2,541.1**

(1) Represents GWP received from third parties under reinsurance contracts.

Group policies

The Group's group policies are all pension products. Traditional group pensions are sold in the form of old age pensions, survivors' pensions, disability insurances (including waiver of premium) and pure endowment capital policies. Unit-linked group pensions are sold in the form of unit-linked capital policies, survivors' pensions, and disability insurances (including waiver of premium).

For the majority of company pension funds, the Group provides full service pension solutions, including separate account group contracts, which are large group contracts with individually determined asset investments underlying the pension policies, which can be either guaranteed or unguaranteed. For large enterprises and SMEs, the Group provides defined benefit products with fixed premiums over the contract period and profit sharing based on a predefined benchmark with guaranteed benefits as well as defined contribution products with single and annual premiums, and profit sharing based on investment returns on specified funds.

The Group's group life insurance products in the Netherlands include the following:

- *Single premium group pension policies*. The Group offers companies the option of selling their pension liabilities to the Group, allowing companies to remove these liabilities from their balance sheets and decrease future balance sheet volatility. Pension liabilities can be insured by means of a single premium payment. Since these are customised contracts, specific contract features are tailored for each client.
- *Old age pension (including PPI BeFrank)*. The Group's old age pensions are traditional life insurance products, insured by immediate or life-long annuities. Lifelong annuities are sold to insure old age pensions in defined benefit plans.
- *Survivors' pension*. The Group's survivors' pensions provide insurance for survivors against the risk of death, either life-long, temporarily until the pension date, temporarily as from the pension date or on a

risk basis. The Group's life-long or temporary survivorship annuity is a form of traditional life insurance that pays death benefits with a savings feature and with guaranteed returns for the beneficiary. A risk-based survivors' pension can be either traditional or unit-linked, paying death benefits with no savings or investment feature and with guaranteed returns for the beneficiary. Both life-long or temporary survivors' pensions and risk-based survivors' pensions can have annual or single premiums.

- *Disability pension*. The Group's disability pensions are insured by permanent health insurance, which is a traditional group pension product that pays benefits but has no savings or investment feature, and is a risk-based annuity. Disability pensions are sold as a supplement to both defined benefit and defined contribution plans and can have annual or single premiums.
- *Pure endowment capital policy*. The Group's pure endowment capital policies are traditional life insurance products that provide a guaranteed return for the beneficiary with the option of annual or single premiums. The Group's pure endowment capital policies are sold to cover benefits from defined contribution plans.
- *Unit-linked capital policy*. The Group's unit-linked capital policies are life insurance products with no guaranteed return for the beneficiary, since the capital is based on the value of the investments at the pension date of the employee. Unit-linked capital policies are sold to cover benefits from defined contribution plans and can have annual or single premiums.
- *Waiver of premium in case of disability policy*. Waiver of premium in case of disability policies are insured by permanent health insurance and can be either traditional or unit-linked products with either annual or single premiums. Permanent health insurance is a form of health insurance that pays benefits but has no savings or investment features. The Group is obliged to provide waiver of premium in case of disability policies as supplements to both defined benefit and defined contribution plans.
- *Delta Lloyd APF*. APFs are a new type of pension fund of strategic importance to the Group. APFs offer the possibility to service multiple pension assets in separate compartments. APFs group multiple corporate pension plans together under the management of a single independent board (a non-profit foundation), while ring-fencing assets to offer a defined benefit-type scheme with no guarantees. APF legislation was approved by the Dutch Senate (*Eerste Kamer*) on 22 December 2015 and became effective on 1 January 2016. APFs require a licence from DNB in order to operate. The Group presented a licence request to DNB for Delta Lloyd APF in January 2016 and is awaiting approval.

Individual policies

The Group's individual life insurance products in the Netherlands include the following:

- *Term life insurance*. Term life insurance is traditional life insurance that pays death benefits but has no savings or investment feature. The Group's term life insurance products are mainly sold as supplements to unit-linked products or in combination with mortgage loans or investment accounts, and generally require annual premium payments. The Group is a leader in the market, with a market share of 19.7% in the Netherlands in 2014 (*source: CVS*).
- *Immediate annuities*. The Group's immediate annuities are traditional life insurance products with guaranteed returns for the customer. Under an immediate annuity, the annuitant pays a single premium, in return for which the Group agrees to make annual payments to the annuitant beginning immediately. The Group's immediate annuities are mainly sold to persons whose traditional life savings products are maturing.

Savings and pension products

- *Traditional savings mortgage-related life insurance*. The Group's traditional savings mortgage-related life insurance products comprise traditional individual savings plans with annual or single premium payments and benefits based on a guaranteed interest rate. These policies are sold in combination with mortgage loans, whereby the guaranteed interest rate of the insurance is linked to the interest rate used for the mortgage loan. They also carry certain tax advantages to the policyholder.
- *Traditional savings annuity-related life insurance*. The Group's traditional savings annuity-related life insurance products comprise traditional individual savings plans with a single premium payment and benefits based on a guaranteed interest rate. These policies are sold as deferred annuities carrying certain tax advantages for policyholders. The annual payments received by the policyholder are subject to tax levy.

- *Unit-linked/universal life savings*. The Group's universal life and unit-linked capital policies provide for fixed savings from annual or single premium payments. The value of the capital is based on the value of the investments at the chosen end date, with the possibility of guaranteeing a minimum return under certain conditions. Universal life and unit-linked savings can be regular, mortgage-related or annuity-related.

Brands

The tables below show the breakdown by brand of life insurance GWP, Net Operational Result and net result for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December									
	2015			2014				2013		
	GWP	Net Operational Result[(1)]	Net result	GWP	Net Operational Result (InvSp)[(1)]	Net Operational Result (LTIR)[(1)]	Net result	GWP	Net Operational Result[(1)]	Net result
	(EUR million)									
Delta Lloyd/OHRA	1,628.9	499.0	153.6	1,591.0	340.2	187.7	138.7	2,231.1	227.6	45.3
ABN AMRO Insurance	296.7	16.6	1.7	320.0	15.4	15.5	34.1	361.7	22.0	19.9
Other	-44.3[(2)]	6.9	-66.7	-47.6[(2)]	5.1	-7.6	389.2	-51.7[(2)]	3.8	-68.9
Total	**1,881.3**	**522.4**	**88.6**	**1,863.4**	**360.7**	**195.6**	**562.0**	**2,541.1**	**253.5**	**-3.7**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Represents GWP that the Group pays on behalf of its employees.

Delta Lloyd

Under the Delta Lloyd brand, the Group is particularly focused on group pensions but also offers a wide range of group and individual life insurance products. Delta Lloyd brand products are distributed primarily through Intermediaries, including actuarial consulting firms that sell to large enterprises, and through independent financial advisers and other Intermediaries that sell to commercial customers (including SMEs) and individual customers. For the year ended 31 December 2015, EUR 1,628.9 million of GWP came from Delta Lloyd brand policies, of which approximately 66.3% came from group policies and 33.7% came from individual policies.

In the Netherlands, Delta Lloyd brand life insurance products had a market share of 12% in 2014 based on GWP (*source: DNB market data 2014*).

ABN AMRO Insurance

The Group sells life insurance under the ABN AMRO Insurance brand through the joint venture between ABN AMRO Bank N.V. and the Group, which is designed to leverage the strength of the ABN AMRO name and ABN AMRO Bank N.V.'s distribution platform, as well as the Group's knowledge of insurance products, and its marketing and administration experience. Through the ABN AMRO Insurance brand, the Group offers individual life insurance products, but focuses on products for individuals and SMEs (especially term life, immediate annuity and mortgage-related life insurance). For the year ended 31 December 2015, individual life insurance products provided EUR 296.7 million (or 15.8%) of GWP sold in the Netherlands under the ABN AMRO Insurance brand. In the Netherlands, ABN AMRO Insurance brand life insurance products had a market share of 2% in 2014 based on GWP (*source: DNB market data 2014*). Overall, the shift towards bank annuities has resulted in a decline in sales of ABN AMRO Insurance brand individual life insurance policies in favour of, the Group believes, ABN AMRO Bank N.V., as customers continue to substitute bank annuities offered by ABN AMRO Bank N.V. for the Group's products offered by the joint venture.

In addition, the Group, through ABN AMRO Insurance, also sells individual term life insurance under the Florius brand. Florius, a brand of ABN AMRO Hypotheken Groep B.V., is a specialised mortgage lender and also offers multi-purpose packages of residence-related financial products. Florius products are distributed through a large network of IFAs.

OHRA

The Group has decided to phase out the OHRA brand and convert it to the Delta Lloyd brand for banking products. New business in the individual life segment is limited to term life insurance.

Belgium

The Group sells life insurance in Belgium under the Delta Lloyd Life brand and has "white label" solutions in which the Group underwrites the insurance under another insurer's brand). The Group was the eighth largest life insurer in Belgium in 2014 with a market share of 5.79% based on GWP (5.10% for 2015) (*source: Assuralia*).

The Group distributes Delta Lloyd Life individual and group life insurance through brokers, bank channels and specialised employee benefits consultants. In 2015 Delta Lloyd life individual insurance had a market share of 3.57% (3.19% for 2014) and Delta Lloyd Life group life insurance had a market share of 11.37% (10.55% for 2014).

The tables below show the breakdown of life insurance GWP, Net Operational Result and net result for Delta Lloyd Belgium for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December									
	2015			2014				2013		
	GWP	Net Operational Result(1)	Net result	GWP	Net Operational Result (InvSp)(1)	Net Operational Result (LTIR)(1)	Net result	GWP	Net Operational Result(1)	Net result
	(EUR million)									
Delta Lloyd Belgium	802.3	69.4	101.8	763.2	1.3	49.3	-102.7	788.6	55.4	155.8

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

The Group offers a range of life insurance products in Belgium that is similar to its range of life insurance products in the Netherlands.

The table below shows the breakdown by product category of life insurance GWP for the years ended 31 December 2015, 2014 and 2013:

Gross Written Premiums	Year ended 31 December		
	2015	2014	2013
	(EUR million)		
Group Policies			
Traditional			
—annual premium	293.3	280.7	271.3
—single premium	180.7	140.6	202.3
—reinsurance premium(1)	0.0	0.3	0.0
Unit-linked			
—annual premium	1.3	0.7	0.4
—single premium	1.4	0.2	0.1
Individual Policies			
Traditional			
—annual premium	123.6	129.4	96.5
—single premium	90.8	128.1	145.1
—reinsurance premium(1)	20.1	22.6	25.0
Unit-linked			
—annual premium	12.5	9.0	6.7
—single premium	78.7	51.5	41.2
Total	**802.3**	**763.2**	**788.6**

(1) Represents GWP received from third parties under reinsurance contracts.

Group policies

Corporate customers are a key focus of the Group in the Belgian life insurance market. The Group was the fourth largest provider of group life insurance in Belgium in 2014 in terms of GWP *(source: Assuralia)*, with broad coverage across various customer segments from self-employed to SMEs and large corporations. The Group offers a wide range of group pension products, including specialty products tailored to the needs of individual large corporations and standardised or "cafeteria" plans for other customers (including the self-employed). Most of its group life insurance business provides for annual premiums.

Individual policies

The Group was the 10th largest provider of individual life insurance in Belgium in 2014 in terms of GWP (*source: Assuralia*), with products offering a combination of features that allow customers to tailor their individual policies.

Delta Lloyd Life Belgium mainly underwrites Delta Lloyd branded products and by exception the Keytrade branded product (a total of 1,262 contracts as of 31 December 2015).

General Insurance

Overview

The Group's general insurance business segment was the fourth largest general insurer in the Netherlands in 2013 in terms of GWP, with a market share (excluding health insurance) of 8.9% (*source: DNB market data*). The general insurance business segment's Net Operational Result was EUR 68.6 million for the year ended 31 December 2015 and EUR 85.0 million (InvSp) for the year ended 31 December 2014, representing 10.1% and 19.6% of the total Group Net Operational Result, respectively. The general insurance business segment also has a leading COR, with a 96.2% ratio for the year ended 31 December 2015 compared to a 94.5% ratio for the year ended 31 December 2014.

The general insurance business segment employs a multi-brand, multi-channel strategy similar to the life insurance business segment, using several distribution channels and customer and pricing segments in the general insurance market. Through the Delta Lloyd brand, the Group offers general insurance products distributed primarily through Intermediaries (including underwriting agents and brokers). Since 2003, the Group has sold insurance under the ABN AMRO Insurance brand through a joint venture between the Group and ABN AMRO Bank N.V. Through the ABN AMRO Insurance brand, it offers general insurance products distributed through the network of ABN AMRO Bank N.V. The Group offers OHRA brand general insurance products using the direct distribution channel (including distribution through internet and mobile platforms).

The table below shows the breakdown of the general insurance GWP and net result for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December					
	2015		2014		2013	
	GWP	Net result	GWP	Net result	GWP	Net result
	(EUR million)					
The Netherlands	1,354.7	52.7	1,336.7	56.2	1,412.8	38.5

The Group did not have any GWP for its general insurance business in Belgium for the year ended 31 December 2015 nor for the year ended 31 December 2014 as it had sold its general insurance business in Belgium to Fidea in 2013 and transferred the small remaining general insurance portfolio in Belgium to the Belgian life insurance business segment in 2014.

The Netherlands

Products

The Group offers a wide range of general insurance products in the Netherlands, primarily through the Delta Lloyd and OHRA brands and the ABN AMRO Insurance brand. The Group also distributes certain health insurance products underwritten by CZ which are sold under the Delta Lloyd and OHRA brands, for which the Group receives fees and commissions.

The table below shows the GWP of the business segment's general insurance products in the Netherlands for the years ended 31 December 2015, 2014 and 2013:

Gross Written Premiums	Year ended 31 December 2015	2014	2013
	(EUR million)		
Property and casualty	1,137.7	1,115.7	1,161.2
Income protection	216.9	221.0	251.7
Total	**1,354.7**	**1,336.7**	**1,412.8**

(1) Includes engineering policies.

The table below shows the COR of the business segment's general insurance products in the Netherlands for the years ended 31 December 2015, 2014 and 2013:

Combined ratio(1)	Year ended 31 December 2015	2014	2013
Property and casualty	101.3%	100.7%	96.1%
Income protection	72.3%	68.2%	104.9%
Total	**96.2%**	**94.5%**	**97.7%**

(1) Combined ratio is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.

A description of each of the Group's general insurance products follows below.

The Group's property and casualty category consists of:

- *Motor*: The Group's motor policies in the Dutch market provide third-party liability coverage to individuals and commercial fleets, including property damage and bodily injury, as well as coverage for theft, fire and collision damage. Dutch law requires that coverage for third-party liability be maintained for each licenced motor vehicle. Most of the Group's motor insurance policies are offered in modular form, which enables policyholders to determine the kind of coverage by selecting the characteristics of the coverage they want.

- *Fire*: The Group's fire policies in the Dutch market provide coverage against a variety of property risks including fire, storm, and burglary. Coverage is available for buildings, contents and business continuity. Coverage on commercial policies is usually provided on the basis of named risks, with certain exceptions such as flood damage. Private coverage is provided on both a single-risk and multi-risk basis, with multi-risk policies providing coverage for loss or damage to dwellings and damage to personal goods.
- *Engineering*: The Group's engineering policies fall into two main categories, both of which are primarily commercial policies. One type of policy offers coverage for losses caused by the breakdown of computers and machinery, including coverage for business interruptions. The second type of policy, construction all risk policies, cover a range of risks related to construction activities, including for third-party liability and property damage. The construction all risk portfolio contains policies with annual premiums or with up-front payments.
- *Liability*: The Group's liability policies in the Dutch market provide coverage for third-party liability. The commercial liability policies also provide coverage for third-party liability for companies and personnel.
- *Marine/pleasure craft*: The Group's marine policies include coverage for land material and vessels, as well as transportation coverage for third-party liabilities, vehicles and cargo. Marine also includes pleasure craft insurance policies.
- *Other*: The Group also offers other products such as travel insurance and legal aid policies.

The Group's income protection category consists of:

- *Income and absenteeism*: The income and absenteeism portfolio consists of injury coverage, disability and absenteeism policies (more generally known in the insurance industry as accident and health policies). The Group's injury coverage policies pay a fixed amount in the event of certain serious injuries or death. The Group's disability policies provide long-term coverage for loss of income caused by disability with monthly payments, after the expiration of the selected waiting period. Disability policies sold through the general insurance business segment are sold on a stand-alone basis, while disability policies sold through the life insurance business segment are sold only in combination with another life insurance product. The Group's absenteeism policies provide coverage for mandatory salary payments to employees on paid sick leave during the first two years of incapacity due to illness or disability.

The Group also sells packages of general insurance products (which incorporate various types of general insurance products) in the Netherlands primarily to private customers.

Insurance entities

The tables below show the breakdown by legal entity of general insurance GWP, Operational Result and net result for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December									
	2015			**2014**				**2013**		
	GWP	**Net Operational Result(1)**	**Net result**	**GWP**	**Net Operational Result (InvSp)(1)**	**Net Operational Result (LTIR)(1)**	**Net result**	**GWP**	**Net Operational Result(1)**	**Net result**
	(EUR million)									
The Netherlands										
Delta Lloyd/OHRA	1,090.7	57.0	40.9	1,073.5	69.1	62.3	42.2	1,150.7	53.3	20.2
ABN AMRO Insurance	264.0	11.6	11.8	263.2	16.0	14.6	13.9	262.2	14.1	18.4
Total the Netherlands	1,354.7	68.6	52.7	1,336.7	85.0	76.9	56.1	1,412.8	67.4	38.6
Belgium	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	-0.8	1.2
Total	**1,354.7**	**68.6**	**52.7**	**1,336.6**	**85.0**	**76.9**	**56.2**	**1,427.8**	**66.6**	**39.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year

ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "Selected Financial Information—Operational Result and Net Operational Result", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

Delta Lloyd

Through the Delta Lloyd brand, the Group offers general insurance products distributed primarily through Intermediaries (including authorised agents and brokers). The Group also sells packages of general insurance products, including agriculture packages (which incorporate various types of general insurance products) through the Delta Lloyd brand in the Netherlands to both retail and commercial customers. Through the Delta Lloyd brand, the Group sells motor, fire, income and income protection, liability and marine/pleasure craft insurance, to both private customers and commercial customers. The Group also distributes certain health insurance products underwritten by CZ but sold under the Delta Lloyd brand.

The Group is currently reviewing the potential outsourcing of its Delta Lloyd branded general insurance retail portfolio in order to increase flexibility, shorten time to market of new products and lower the cost levels of this portfolio. A letter of intent with a preferred outsourcing partner is expected to be signed in the short term.

ABN AMRO Insurance

The focus of the ABN AMRO Insurance brand's general insurance products is insurance products offered through the distribution network of ABN AMRO Bank N.V. which the Group considers to be its label for Bancassurance. The majority of the customer base is SMEs and private customers, often purchasing fire and liability insurance policies in combination with mortgage and term annuity policies. The distribution focus in the private market is on bank branches, the internet and call centre sales and service, with internet sales expected to be the primary driver for growth. For the commercial market, the focus is on packaged bundles of products for SMEs. In the Dutch general insurance market, the ABN AMRO Insurance brand had a market share of 1.8% based on GWP in 2013 (*source: AM Jaarboek 2014*).

OHRA

Through the OHRA brand, the Group offers term general insurance products, including motor, fire, liability, travel and legal assistance insurance. Distribution is through direct distribution (including distribution through internet and mobile platforms).

The Group also distributes certain health insurance products underwritten by CZ but sold under the OHRA and Delta Lloyd brand.

Asset Management

Overview

The Group had EUR 70.0 billion of AuM at 31 December 2015 (compared to EUR 85.3 billion at 31 December 2014). Of that amount, EUR 59.4 billion (including EUR 23.8 billion of third party assets) was managed by DLAM, which constitutes the asset management business segment, and EUR 10.6 billion (including the Group's mortgage loan portfolio of EUR 10.4 billion) was managed by other Group companies. However, the asset management business segment has an advisory role for the Group's other fund management operations.

The largest part of the assets under management of the Group's asset management business segment is to manage the Group Own Risk Portfolios (the "Group Own Risk Portfolios"). The amount presented for the categories of assets under management included in the table below may differ from those presented in the IFRS consolidated balance sheet as the table reflects a risk management classification, rather than fair value under IFRS.

The following table presents the breakdown of the Group's total assets under management at 31 December 2015, 2014 and 2013:

Assets under Management (AuM)	As at 31 December		
	2015(1)(2)	2014	2013
	(EUR million)		
Group own risk assets	**46,221.0**	**55,664.1**	**48,858.6**
Delta Lloyd Asset Management own risk assets	35,627.1	42,485.3	36,791.3
Loans	154.8	1,845.3	2,132.6
Mortgages	10,439.1	11,333.6	9,934.7
Third party portfolios	**23,791.2**	**29,589.4**	**28,958.5**
Total AuM	**70,012.2**	**85,253.6**	**77,817.2**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.

(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.

Total return on own risk assets was -0.1% for the year ended 31 December 2015, compared with 17.3% for the year ended 31 December 2014. The decrease was primarily due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014, affecting valuations of the investment portfolios.

The Group's asset management business segment primarily manages own risk investment funds on behalf of the Group, but also manages third-party investment funds ("Third-party Portfolios"). The Group Own Risk Portfolio represents a substantial majority of the business segment's assets under management. Of the EUR 59.4 billion managed by the asset management business segment at 31 December 2015, EUR 35.6 billion were from the Group own risk portfolio. The asset management business segment offers Third-Party portfolios to both institutional and retail investors in the Netherlands and Belgium. In addition, it manages real estate funds available to the Group and third-party investors, aimed at institutions and family offices. The business segment's Net Operational Result was EUR 42.6 million for the year ended 31 December 2015 and EUR 20.0 million (InvSp) or EUR 25.9 million (LTIR) for the year ended 31 December 2014, representing 6.3% and 4.6% (InvSp)/ 6.9% (LTIR) of the total Group Net Operational Result, respectively.

The business segment's primary investment focus is fixed income instruments, an area of historically good performance for the Group. The level of fixed income investments increased as a result of a shift in investments from equity securities towards fixed income. However, the Group holds a number of significant equity positions. One of the strategies aims to acquire stakes of 5% or more of the total outstanding share capital in certain Dutch companies in order to take advantage of favourable tax treatment in the Netherlands, as well as to exercise influence over corporate governance and management of the companies.

The Group plans to focus its asset management business segment on offering its third-party customers balance sheet management products (tailored to the liability structures of insurance industry customers) and boutique products for the institutional market. The asset management business segment is undergoing an internal reorganisation to enhance operations.

The asset management business segment sells its funds to institutional customers primarily by means of its sales department's dedicated sales force. For retail investors, it generally relies on sales by third-party banks, though a small portion of retail funds (unit-linked funds) are distributed through the Group's own distribution channels. In the Netherlands, funds are distributed largely by Dutch retail banks, including ABN AMRO Bank N.V., Coöperatieve Rabobank U.A. (Rabobank) and ING Bank N.V.

The tables below show the breakdown of total net fee and commission income, Net Operational Result and net result for the asset management business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December									
	2015			2014				2013		
	Total net Fee and Commission income	Net Operational Result(1)	Net result	Total net Fee and Commission income	Net Operational Result (InvSp)(1)	Net Operational Result (LTIR)(1)	Net result	Total net Fee and Commission income	Net Operational Result(1)	Net result
	(EUR million)									
Delta Lloyd Asset Management	99.7	42.6	34.6	69.7	20.0	25.9	22.7	82.9	44.9	40.0

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

Assets under Management

The table below shows the asset management business segment's assets under management at 31 December 2015, 2014 and 2013, split between the Group Own Risk Portfolios and Third-party Portfolios:

	As at 31 December		
	2015(1)(2)	2014	2013
	(EUR million)		
Group Own Risk Portfolios	**35,627.1**	**42,485.3**	**36,791.3**
Investments Funds	1,309.0	1,808.1	1,990.1
Other assets	34,318.1	40,677.2	34,801.1
Third-party Portfolios	**23,791.2**	**29,589.4**	**28,958.5**
Investment funds	14,427.9	14,301.6	12,056.7
Other assets	9,363.3	15,287.8	16,901.8
Total	**59,418.4**	**72,074.7**	**65,749.8**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.
(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.

Group Own Risk Portfolios

The table below shows the Group Own Risk Portfolios assets under management by asset class at 31 December 2015, 2014 and 2013:

	As at 31 December		
Group Own Risk Portfolios	2015(1)(2)	2014	2013
	(EUR million)		
Bonds	30,435.1	34,849.5	30,126.8
Preference Shares	294.9	323.5	346.1
Fixed Income	317.9	750.4	137.0
Fixed Income Derivatives	628.1	848.4	-19.3
Equity	1,760.2	1,772.8	2,257.4
Equity Options	2.1	51.9	28.1
Real Estate(3)	1,381.0	2,636.4	2,567.3
Alternatives	185.0	797.3	840.7
Cash & Deposits	622.7	455.0	507.1
Total	**35,627.1**	**42,485.3**	**36,791.3**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.
(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.
(3) The Group sold its commercial (office and retail) property portfolio in 2015.

Total return on own risk assets was -0.1%[23] for the year ended 31 December 2015, compared with 17.3%[24] for the year ended 31 December 2014. The decrease was primarily due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014, affecting valuations of the investment portfolios.

Investment funds

The asset management business segment is also responsible for the management of investment funds and maintains several types of funds open to institutional and retail investors and the Group. The Group believes that the strength of both the Delta Lloyd brand and of the investment outperformance against established benchmarks in certain of the business units' funds have contributed to growth in third-party assets under management in the Delta Lloyd brand funds.

The table below shows the business segment's investment funds at 31 December 2015, 2014 and 2013, split between the Group Own Risk Portfolio, Third-party Portfolios and funds of funds:

	As at 31 December		
Investment Funds	**2015(1)(2)**	**2014**	**2013**
		(EUR million)	
Group Own Risk Portfolio	1,309.0	1,808.1	1,990.1
Third-party Portfolios	14,427.9	14,301.6	12,056.7
Funds of funds(3)	4,786.0	4,577.0	3,830.9
Total	**20,522.9**	**20,686.7**	**17,877.8**

(1) Investment Funds recorded at 31 December 2015 include EUR 301 million of funds which were transferred to Bank Nagelmackers N.V. on 10 January 2016 as part of the sale of Delta Lloyd Bank Belgium in July 2015.

(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.

(3) Represents investments in Delta Lloyd investment funds, which are eliminated from total assets under management.

The asset management business segment generates income from Third-party Portfolios and funds of funds through fund management fees as well as performance fees for certain funds, for which fees are tied to performance against agreed targets or by outperformance of certain of its funds against benchmarks.

The table below shows the business segment's assets under management in investment funds (including the Group Own Risk Portfolio, Third-party Portfolio and funds of funds) by asset class at 31 December 2015, 2014 and 2013:

	As at 31 December		
Investment Funds	**2015(1)(2)**	**2014**	**2013**
		(EUR million)	
Fixed Income	**7,393.2**	**8,266.2**	**7,110.1**
Institutional	5,500.0	6,051.8	3,421.9
Retail	1,893.3	2,214.5	3,688.2
Equity	**6,904.9**	**6,838.4**	**6,037.0**
Institutional	3,693.1	2,750.0	2,308.4
Retail	3,211.8	4,088.4	3,728.6
Real estate	**716.5**	**642.2**	**603.7**
Institutional	396.4	325.2	291.5
Retail	320.1	317.0	312.2
Mixed Funds	**5,508.2**	**4,939.8**	**4,126.9**
Institutional	1,392.8	928.1	429.6
Retail	4,115.4	4,011.8	3,697.4
Total	**20,522.9**	**20,686.7**	**17,877.8**

(1) Investment Funds recorded at 31 December 2015 include EUR 301 million of funds which were transferred to Bank Nagelmackers N.V. on 10 January 2016 as part of the sale of Delta Lloyd Bank Belgium in July 2015.

(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.

Institutional funds

The asset management business segment offers fixed income, equity and real estate funds to institutional investors, as well as funds with a mix of asset types.

23 Based on own risk insurance activities (average AuM EUR 45 billion), includes Delta Lloyd Deutschland until 30 September 2015.

24 Based on own risk insurance activities (average AuM EUR 44 billion), includes Delta Lloyd Deutschland.

Leveraging its experience as the asset manager of the Group, the asset management business segment employs matching and return portfolio strategies for institutional investors. The matching portfolio focuses on fixed income products, and tailors investments for insurance investors that match returns against investor obligations as to tenor and income. The return portfolio includes funds with a range of unique investments designed to maximise income for investors.

The table below shows the assets under management and performance of the asset management business segment's institutional funds, as well as the performance against the benchmark, where available, during the one-year, three-year and five-year periods ended 31 December 2015.

Funds	Class	AuM	1 year	3 years	5 years	Benchmark
		(EUR million)				
DLI Global Equity Index Fund	Equities	2,163.3	10.7%	17.2%		
Performance against benchmark			0.1%	0.2%		MSCI WORLD NET RETURN (MVO screening)
DL Rente Fonds B	Fixed Income	1,617.6	-0.2%	3.4%	5.2%	
Performance against benchmark			-1.2%	-1.3%	-0.5%	IBOXX € OVERALL TRI
DL Indexmix Fonds 2	Mixture	948.7	6.9%	11.7%	9.3%	
Performance against benchmark			0.0%	-0.2%	n.a.	**[RI]** 52.5% MSCI WORLD MVO/5% MSDEEEMN/10% FTNDLN/14.25% LEATTREU/14.25% BEAXTREU/4% BECLTRUU
DL Sovereign XLT Bond Fund IC	Fixed Income	910.9	-1.2%	7.3%	9.7%	
Performance against benchmark			-0.3%	-0.1%	1.0%	IBOXX € SUB & SOVEREIGN 15+ INDEX + AAA/AA INDEX
DL Corporate Bond Fund IC	Fixed Income	746.0	-0.8%	3.6%	5.9%	
Performance against benchmark			-0.1%	0.4%	0.9%	IBOXX € CORPORATES TRI
DL Sovereign LT Bond Fund	Fixed Income	586.6	0.0%	5.0%	7.4%	
Performance against benchmark			-0.3%	-0.1%	0.8%	IBOXX € SUB & SOVEREIGN 5+ EX BBB INDEX
DL Select Dividend Fonds D	Equities	448.9	16.4%	9.8%	10.9%	
Performance against benchmark			8.2%	-7.0%	0.9%	**[RI]** MSCI DAILY NET TR EUROPE EURO
DL Sovereign Bond Fund	Fixed Income	441.0	0.2%	4.2%	5.8%	
Performance against benchmark			-0.6%	-0.8%	0.0%	MARKIT IBOXX EUR SOVEREIGNS & SUB-SOVEREIGNS (5% ISSUER<AA CAP) TRI INDEX
DL Collateralised Bond Fund	Fixed Income	396.4	0.7%	3.7%		
Performance against benchmark			0.3%	-0.1%		IBOXX € COLLATERALISED INDEX
DL Subsovereign Bond Fund	Fixed Income	388.9	0.3%	3.2%		
Performance against benchmark			-0.3%	0.0%		IBOXX € SUBSOVEREIGN INDEX
Other institutional funds[(1)]	Mixture	1,937.4				
Total		**10,585.9**				

(1) Includes institutional funds with assets under management less than EUR 200 million.

Retail funds

The asset management business segment offers fixed income, equity and property funds to retail investors, as well as funds with a mix of asset types.

The table below shows the assets under management and performance of the asset management business segment's retail funds, as well as the performance against the benchmark, where available, during the one-year, three-year and five-year periods ended 31 December 2015.

Funds	**Class**	**AuM (EUR million)**	**1 year**	**3 years**	**5 years**	**Benchmark**
DL Mix Fonds	Mixture	2,270.8	4.7%	6.5%	5.6%	
Performance against benchmark			-0.3%	-3.0%	-2.8%	CB 60% IBOXX € OVERALL TRI/40% MSCI WLD NR
DL Investment Fund	Equities	1,071.9	10.7%	13.0%	7.7%	
Performance against benchmark			0.3%	-4.0%	-4.5%	MSCI WORLD NET RETURN
DL Profiel Fonds 4	Mixture	981.0	10.8%	10.7%	8.9%	
Performance against benchmark			2.0%	-2.9%	n.a.	**[RI]** 57% MSCI WORLD/ 23% TRNGLE/20%I BOXX OVERALL
DL Euro Credit Fund A	Fixed Income	825.3	-0.2%	3.4%	5.4%	
Performance against benchmark			-0.2%	0.1%	0.5%	IBOXX € NON-SOVEREIGNS TRI
DL Profiel Fonds 3	Mixture	352.2	8.6%	8.7%	8.0%	
Performance against benchmark			1.4%	-2.8%	n.a.	**[RI]** 40% MSCI WORLD/ 23% TRNGLE/37%I BOXX OVERALL
DL Rente Fonds A	Fixed Income	346.7	-0.1%	3.8%	5.4%	
Performance against benchmark			-1.1%	-0.8%	-0.2%	IBOXX € OVERALL TRI
DL Europees Deelnemingen Fonds A	Equities	298.6	36.2%	22.4%	10.0%	
Performance against benchmark			17.5%	2.9%	-1.5%	**[RI]** MSCI EUROPE SMALL CAP VALUE EUR NET TOTAL RETURN INDEX
DL Deelnemingen Fonds A	Equities	291.7	19.2%	10.2%	1.5%	
Performance against benchmark			7.2%	-2.2%	n.a.	**[RI]** AMX INDEX
DLL Bond Euro	Fixed Income	263.6	0.0%	4.0%	5.6%	IBOXX € SOVEREIGNS & SUB-SOVEREIGNS (5%ISSUER<A A CAP) TRI INDEX
Performance against benchmark			-0.7%	-1.1%	-0.3%	IBOXX € SOVEREIGNS & SUB-SOVEREIGNS (5%ISSUER<A A CAP) TRI INDEX
Other retail funds[(1)]	Mixture	2,518.7				
Total		**9,220.5**				

(1) Includes retail funds with assets under management less than EUR 250 million.

Real estate portfolio

The asset management business segment maintains an own risk real estate portfolio of EUR 1,381.0 million at 31 December 2015 in directly-owned residential assets, with a focus on the Netherlands, and indirect exposure to real estate through other investments, namely non-listed Dutch real estate funds. The real estate portfolio is composed primarily of own risk funds in the Group Own Risk Portfolio.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands. See "*—Investments—Real Estate*".

On 23 December 2015, the Group announced that it had sold its retail portfolio to EPISO 4 for EUR 273 million. The sale comprised 15 retail centres and premises in the Netherlands. With this sale the Group has divested its entire commercial property portfolio. See "*—Investments—Real Estate*".

The table below shows the assets under management and performance of the asset management business segment's real estate funds, as well as the performance against the benchmark, where available, during the one-year, three-year and five-year periods ended 31 December 2015.

Funds	AuM (EUR million)	1 year	3 years	5 years	Benchmark
DLL Global Property Fund B	294.4	10.9%	11.0%	10.5%	
Performance against benchmark		0.4%	-1.9%	-1.4%	FTSE EPRA/NAREIT DEVELOPED TRI NET DVDS
DL Global Property Index Fund	112.6	13.5%			
Performance against benchmark		0.2%			FTSE EPRA NAREIT SL MVO
DLL Global Property Fund CC	101.8	11.9%	11.9%		
Performance against benchmark		1.4%	-0.9%		FTSE EPRA/NAREIT DEVELOPED TRI NET DVDS
Other real estate funds(1)	207.7				
Total	**716.5**				

(1) Includes real estate funds with assets under management less than EUR 100 million.

Banking

Overview

The banking activities contribute to the Group's strategy through a focus on mortgage and bank annuity products. Mortgage loans are exclusively distributed through Intermediaries. The majority of the bank annuities and savings are also distributed through Intermediaries, although some are distributed through direct channels.

Delta Lloyd Bank Netherlands provides mortgage services, mainly to other Group entities, which act as an investor in Delta Lloyd branded mortgage loans.

Delta Lloyd Bank Netherlands is the Group's only banking asset. For the year ended 31 December 2015, Delta Lloyd Bank Netherlands' Net Operational Result was EUR 41.6 million, representing 6.1% of the total Group Net Operational Result for the year. For the year ended 31 December 2014, Delta Lloyd Bank Netherlands' Net Operational Result was EUR 12.1 million, representing 2.8% of the total Group Net Operational Result for the year.

The banking business segment uses Amstelhuys as the originator of mortgage loans and as a funding vehicle in the Netherlands. Amstelhuys is a wholly-owned subsidiary of the Company. It is accounted for within the Group's corporate and other activities business segment and not within Delta Lloyd Bank Netherlands. Delta Lloyd Bank Netherlands' services the mortgages underwritten by Amstelhuys in return for a fee. In the past, Amstelhuys was the primary underwriter of mortgage loans. As of 2014, all new mortgage loans are directly placed on the balance sheet of Delta Lloyd Bank Netherlands, DLL and other Group entities via Amstelhuys (all new mortgage loans originated by Amstelhuys have been sold in advance on any execution date (the date on which the mortgage deed is executed before a civil law notary)). See also "—*Amstelhuys*" below.

On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to Anbang that had been announced on 16 December 2014.

Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, and is subject to supervision by DNB. The laws and regulations to which Delta Lloyd Bank Netherlands is subject include the Basel framework and European Banking Union framework. The latest changes in the Basel framework were translated into the CRD IV and BRRD framework. The phased-in CET1 ratio of Delta Lloyd Bank Netherlands was 12.4% as at 31 December 2015, compared to 13.6% as at 31 December 2014. The CET1 ratio has been calculated and presented in accordance with the Basel framework that was most recently translated into a directive (2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, CRR), together referred to as the CRD IV framework. The CRD IV directive was implemented in Dutch law with effect from August 2014 and under this framework, Delta Lloyd Bank Netherlands is required to maintain minimum solvency and liquidity ratios, including a minimum BIS Solvency Ratio and minimum CET1 ratio. The level of capital Delta Lloyd Bank Netherlands is required to maintain is subject to certain requirements and is reviewed against risk-weighted assets and may be varied on an annual basis by DNB based on the outcome of the annual SREP procedure. The CRR has been directly applicable since 1 January 2014, and has resulted in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements in relation to solvency supervision and liquidity supervision. For further information on Delta Lloyd Bank Netherlands' capital requirements, see "*Risk Factors—Regulatory and Litigation Risks—Delta Lloyd Bank Netherlands is subject to extensive and detailed banking and other financial services laws and regulations, including stringent requirements in respect of regulatory capital and liquidity. Any adverse changes in such laws and regulations and/or changes in the interpretation of existing laws and regulations, could have an adverse effect on the Group's business, results of operations, financial condition and prospects*".

The table below shows the breakdown of the Dutch banking business segment's total income and net result for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December					
	2015		2014		2013	
	Total Income	Net result	Total Income	Net result	Total Income	Net result
	(EUR million)					
Netherlands	106.2	37.7	111.8	34.0	54.6	-14.6

Products

The banking activities contribute to the Group's strategy through its focus on mortgage and bank annuity products:

- *Mortgage loans:* At 31 December 2015, Delta Lloyd Bank Netherlands' mortgage portfolio consisted of EUR 4,238.7 million Dutch mortgages (2014: EUR 4,289.7 million).
- *Mortgage services*: The banking business segment provides mortgage services for other Group entities through Delta Lloyd Bank Netherlands, such as for Amstelhuys and the Group's Arena securitisation vehicles. Services mainly include credit and client acceptance, administration customer services product management and risk management.
- *Savings and deposits*: This portfolio consists mainly of direct access internet savings and deposits (ranging from 1 to 10 years) and mortgage savings. At 31 December 2015, the majority of the deposits were direct access internet savings accounts (EUR 806.7 million) and time deposits (EUR 203.9 million).
- *Bank annuities:* The banking business segment offers bank annuities through Delta Lloyd Bank Netherlands. This product comes in two forms, as a long-term savings and investment product (deferred annuity) or as a temporary immediate annuity. Both provide economic returns to customers that are similar to, and otherwise a substitute for, individual life annuity products. Both forms are also applicable for severance payments (payments an employee receives when he or she leaves a company).

  Although bank annuities are a banking product, it is targeted toward customers of individual life insurance products. As a result, Delta Lloyd Bank Netherlands distributes bank annuities through the channels that the Group uses to distribute life insurance under the Delta Lloyd and OHRA brands. In this way, customers seeking individual life insurance are presented with bank annuities, often with an additional term assurance policy, as an alternative solution. Part of this portfolio is severance payments, for which the government abolished the favourable tax treatment, as of 1 January 2014. At 31 December 2015, the Group had EUR 1,906.2 million in bank annuities in the Netherlands.

Other banking products are:

- *Consumer loans:* This is a run-off portfolio, consisting of personal loans and revolving credits, both ranging from EUR 5,000 up to EUR 60,000. At 31 December 2015, this portfolio consisted of EUR 64.9 million in principal outstanding.
- *Fund investments:* The banking business segment offers home and external funds' investments through Delta Lloyd Bank Netherlands, used to repay mortgages, as a supplement for bank annuities (especially deferred annuities) or used for stand-alone investments. Home funds are managed by the Group's asset managers. At 31 December 2015, the total investment portfolio consisted of EUR 360.3 million, including EUR 68.0 million in third party assets under management.

Loans

The total loan portfolio held by the banking business segment is heavily concentrated in mortgage loans.

The table below shows a breakdown of the components of Delta Lloyd Bank Netherlands' loan portfolio at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
Loan category	**Value**	**Percent of total**	**Value**	**Percent of total**	**Value**	**Percent of total**
			(EUR million)			
Mortgage Loans	4,238.7	97.9%	4,289.7	97.7%	2,688.0	85.2%
Retail consumer loans	53.3	1.2%	66.4	1.5%	81.3	2.6%
Other	36.3	0.9%	35.0	0.8%	383.6	12.2%
Total Netherlands	**4,328.3**	**100.0%**	**4,391.1**	**100.0%**	**3,152.9**	**100.0%**

Funding

The table below shows the sources of funding for the Dutch banking business at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
Source of funding	**Value**	**Percent of total**	**Value**	**Percent of total**	**Value**	**Percent of total**
			(EUR million, except percentages)			
Notes	1,266.4	23.8%	1,376.5	26.5%	—	—
Bank annuities, savings and deposits	3,507.8	66.0%	3,538.0	68.2%	3,528.4	91.2%
Intercompany funding	142.6	2.7%	136.6	2.6%	189.8	4.9%
Intercompany current accounts	400.1	7.5%	139.3	2.7%	149.3	3.9%
Total	**5,316.9**	**100.0%**	**5,190.3**	**100.0%**	**3,867.5**	**100.0%**

Mortgage loan portfolio serviced by the banking business segment

Until 2015, Delta Lloyd Bank Netherlands only serviced the Dutch part of the Group's mortgage portfolio In 2015, an increased demand for mortgage products led to, amongst other things, a transfer of mortgages from Amstelhuys to Delta Lloyd Life Belgium. The mortgages involved in this transaction are all Dutch mortgages serviced by Delta Lloyd Bank Netherlands. As a result, as of 2015, Delta Lloyd Bank Netherlands not only services the Dutch but also the majority of the Belgium part of the Group's mortgage portfolio.

The total mortgage loan portfolio of the Group at 31 December 2015 was EUR 13,266.1 million, of which EUR 12,247.1 million were in the Netherlands. The Group's total mortgage loan portfolio in the Netherlands consisted of EUR 4,238.7 million at Delta Lloyd Bank Netherlands, EUR 1,670.6 million at Amstelhuys and

EUR 6,337.9 million internally distributed to insurance entities (primarily the life insurance business segment in the Netherlands). At 31 December 2014, the mortgage loan portfolio of the Group was EUR 16,738.9 million, consisting of EUR 4,289.7 million at Delta Lloyd Bank Netherlands, EUR 3,309.4 million at Delta Lloyd Bank Belgium (now SME), EUR 3,108.3 million at Amstelhuys and EUR 5,737.6 million internally distributed to Dutch insurance entities.

Although our market share for residential mortgages in the Netherlands decreased from 1.85% at 31 December 2014 to 1.78% at 31 December 2015 (*source: the land register (het kadaster)*), new mortgages showed a strong improvement in the year ended 31 December 2015, increasing by 42% to EUR 1,173 million, compared to EUR 825 million for the year ended 31 December 2014 due to improved service level, customer focus and an increase in intra-Group demand for mortgages. The bank's savings portfolio was stable at EUR 3,359 million for the year ended 31 December 2015, compared to EUR 3,448 million for the year ended 31 December 2014, due to the focus on margin over volume. Operational Result more than tripled to EUR 55 million for the year, compared to EUR 16 million for the year ended 31 December 2014 principally due to higher net interest income, margins of savings and banking annuities products and cost savings.

The table below shows the new mortgages portfolio realised by Delta Lloyd Bank Netherlands at 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014(1)	2013(1)
	(EUR million)		
New mortgages	1,173.3	825.0	952.2

(1) The 31 December 2014 and 31 December 2013 figures do not include Delta Lloyd Bank Belgium, Delta Lloyd Life Belgium and Delta Lloyd Deutschland because at that time Delta Lloyd Bank Netherlands only serviced the Dutch part of the Group's mortgage portfolio.

The table below shows a breakdown of the Group's total mortgage loan portfolio, and amount of mortgage loans securitised, at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015(2)		2014		2013	
The Group's total mortgage loan portfolio	**Total mortgage loans**	**Amount of mortgage loans securitised**	**Total mortgage loans**	**Amount of mortgage loans securitised**	**Total mortgage loans**	**Amount of mortgage loans securitised**
	(EUR million)					
Amstelhuys	1,670.6	1,280.1	3,108.3	2,399.9	5,820.5	5,327.7
Delta Lloyd Bank Netherlands	4,238.7	1,546.9	4,289.7	1,663.6	2,688.1	0.0
Other Dutch entities(1)	6,337.9	0.0	5,737.6	0.0	4,499.2	0.0
Netherlands	12,247.1	2,827.0	13,135.6	4,063.6	13,007.7	5,327.7
Delta Lloyd Life Belgium	1,019.0	0.0	58.8	0.0	74.4	0.0
Delta Lloyd Bank Belgium	0.0	0.0	3,309.4	1,341.7	3,340.7	1,522.6
Belgium	1,019.0	0.0	3,368.2	1,341.7	3,415.1	0.0
Germany	0.0	0.0	235.1	0.0	362.2	0.0
Group Total	**13,266.1**	**2,827.0**	**16,738.9**	**5,405.3**	**16,785.0**	**6,850.3**

(1) Primarily the life insurance business segment in the Netherlands.

(2) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.

The table below shows an overview of the Group's mortgage loan portfolio (including Amstelhuys) serviced by the banking business segment at 31 December 2015, 2014 and 2013:

	As at 31 December		
Mortgage loan portfolio	**2015**	**2014**	**2013**
Group mortgage loan portfolio in the Netherlands (EUR billion, nominal value)	12.5	12.4	12.4
No. of loans	65,273	64,474	63,752
No. of private sales and foreclosures	267	277	298
No. of losses	246	222	199
Loss amount (EUR million)	9.2	8.0	6.6
Loss ratio(1) (bps)	7.4	6.4	5.3

(1) Loss ratio is calculated by dividing the realised losses on mortgages by the nominal value of the mortgage portfolio.

The Group's mortgage portfolio in the Netherlands remained stable in the year ended 31 December 2015 principally due to redemptions offset by new mortgage production. The Group has also recovered more on defaulted mortgages due to an increased number of NHG mortgages.

The table below shows the details of the carrying amount of financial assets that are past due but have not been impaired in the Group's mortgage loan portfolio (including Amstelhuys) serviced by the banking business segment at 31 December 2015, 2014 and 2013:

	As at 31 December		
Arrears	**2015**	**2014**	**2013**
	(EUR million)		
0 to 2 months	111.4	181.5	191.5
› 2 to 3 months	20.2	37.8	34.2
› 3 to 6 months	24.2	48.9	51.7
More than 6 months	84.2	93.6	81.6
Total	**240.0**	**361.7**	**358.9**

The Group believes that the low rate of arrears is due to its strict underwriting policies and arrears management, combined with favourable regulations and prudent attitudes towards mortgage loans in general in the Netherlands. Over the past year, the Group has not significantly changed its underwriting criteria. The Group anticipates that in the current economic environment, arrears on the mortgage loan portfolio will likely remain stable or slightly decrease.

The following table presents loan-to-market-value information for the Group's mortgage loan portfolio (including Amstelhuys) serviced by the banking business segment, calculated on the original execution value of the property at 31 December 2015. See "*Industry Overview—Banking—Main Banking Products (relevant for the Company)—Residential mortgage loans*":

	As at 31 December		
Loan-to-market-value	**2015**	**2014**	**2013**
	(%)		
Guaranteed(1)	46%	47%	47%
Not guaranteed, loan-to-market-value ratio ‹ 70%	13%	11%	9%
Not guaranteed, loan-to-market-value ratio 70%—90%	14%	11%	9%
Not guaranteed, loan-to-market-value ratio 90%—100%	6%	6%	5%
Not guaranteed, loan-to-market-value ratio 100%—110%	6%	6%	6%
Not guaranteed, loan-to-market-value ratio 110%—120%	7%	7%	8%
Not guaranteed, loan-to-market-value ratio › 120%	8%	12%	15%

(1) Guaranteed by the NHG.

In line with the Dutch market, the Group's average loan-to-market-value ratio for its mortgage loan portfolio in the Netherlands is relatively high as borrowers seek to benefit from certain tax advantages of Dutch mortgage loans.

Amstelhuys

Amstelhuys is the originator of most residential mortgage loans issued by the Group in the Netherlands. Amstelhuys is accounted for within the Group's corporate and other activities business segment and not within the banking business segment. Delta Lloyd Bank Netherlands services the mortgages underwritten by Amstelhuys in return for a fee.

Amstelhuys is structured as a cash-neutral vehicle, with incoming funds mainly from the sale of securities balanced by disbursements for mortgage loans. However, the Group's securitisation programme provides that losses as a result of defaults on securitised mortgage loans, up to a certain amount, must be borne by the Group.

Prior to the credit crisis, Amstelhuys used securitisations of existing mortgages to fund a significant portion of its mortgage business. As a result of the securitisation market being inactive, the Group's primary source of funding for its Dutch banking operations (including Amstelhuys) has shifted since 2007 from the securitisation of mortgages through Amstelhuys, to alternative sources including intercompany loans, savings and deposits, and the repo of certain notes from Amstelhuys' securitisations conducted in 2007. As a result of this shift, the Group has incurred higher finance costs in respect of its mortgage business than in previous periods. In 2014, Delta Lloyd Bank Netherlands successfully placed two Arena securitisations of Dutch residential mortgages in order to lower funding costs for new mortgages and contribute to net interest income.

The loan portfolio of Amstelhuys consists of mortgages: EUR 1,670.7 million at 31 December 2015 compared to EUR 3,108.3 million at 31 December 2014. Amstelhuys' sources of funding are mainly notes (EUR 1,018.6 million at 31 December 2015 compared to EUR 2,018.1 million at 31 December 2014), deposits (EUR 100.0 million at 31 December 2015 compared to EUR 700.0 million at 31 December 2014), and intercompany loans (EUR 487.2 million at 31 December 2015 compared to EUR 552.7 million at 31 December 2014).

As Amstelhuys is in a run-off process since the end of 2015 and expected to be liquidated before the end of 2017, no further funding is expected to be required.

Investments

Overview

The overall financial strength of the Group and the results, both current and future, are in part dependent upon the quality and performance of its various investment portfolios. The amounts presented for the categories of assets under management included in the table below may differ from those presented in the IFRS consolidated balance sheet as the table reflects a risk management classification as the table reflects, rather than fair value under IFRS. For further information on how the Group manages its investments, see "*Risk Management*".

Own Risk Portfolio

The tables below show the reconciliation of the carrying value from the Group's total assets under management to its own risk portfolio for the years ended 31 December 2015, 2014 and 2013:

	As at 31 December		
Assets under Management (AuM)	**2015(1)(2)**	**2014**	**2013**
		(EUR million)	
Bonds	30,435.1	34,849.5	30,126.8
Preference Shares	294.9	323.5	346.1
Fixed Income	317.9	750.4	137.0
Fixed Income Derivatives	628.1	848.4	-19.3
Equity	1,760.2	1,772.8	2,257.4
Equity Options	2.1	51.9	28.1
Real Estate(3)	1,381.0	2,636.4	2,567.3
Alternatives	185.0	797.3	840.7
Cash & Deposits	622.7	455.0	507.1
Own Risk Assets under Management of Group's asset manager	**35,627.1**	**42,485.3**	**36,791.3**
Loans	154.8	1,845.3	2,132.6
Mortgages	10,439.1	11,333.6	9,934.7
Group Own Risk Assets	**46,221.0**	**55,664.1**	**48,858.6**
Third party portfolios	**23,791.2**	**29,589.4**	**28,958.5**
Total AuM	**70,012.2**	**85,253.6**	**77,817.2**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.
(2) At 31 December 2015, the bonds portfolio excludes the capital instruments of the Group and Delta Lloyd Deutschland.
(3) The Group sold its commercial (office and retail) property portfolio in 2015.

Total return on own risk assets was -0.1%[25] for the year ended 31 December 2015, compared with 17.3%[26] for the year ended 31 December 2014. The decrease was primarily due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014, affecting valuations of the investment portfolios.

[25] Based on own risk insurance activities (average AuM EUR 45 billion), includes Delta Lloyd Deutschland until 30 September 2015.
[26] Based on own risk insurance activities (average AuM EUR 44 billion), includes Delta Lloyd Deutschland.

Bonds

At 31 December 2015, the Group's own risk bonds portfolio had a value of EUR 30.4 billion. The bonds security portfolio is actively managed in house by an experienced team of fixed income specialists. The team consists of both interest rate and credit portfolio managers. The interest rate risk is closely hedged against the liabilities and actively managed within tight limits by using different instruments including different derivative instruments.

The table below presents the composition of the Group's own risk bonds portfolio by rating category based on carrying value at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
	Carrying value	Percent of total	Carrying value	Percent of total	Carrying value	Percent of total
	(EUR million, except percentages)					
Ranking category						
AAA	9,831.4	32%	15,496.6	44%	13,836.0	46%
AA	8,371.6	28%	8,592.6	25%	6,826.7	23%
A	3,639.6	12%	5,030.9	14%	4,567.0	15%
BBB	7,667.8	25%	4,539.4	13%	3,258.6	11%
BB	613.3	2%	891.5	3%	649.9	2%
B	27.6	0%	44.7	0%	126.0	0%
Other	283.7	1%	253.6	1%	862.6	3%
Total	**30,435.1**	**100%**	**34,849.5**	**100%**	**30,126.8**	**100%**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.

The table below presents the scheduled maturities for the Group's own risk bonds portfolio at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015(1)		2014		2013	
	Carrying value	Percent of total	Carrying value	Percent of total	Carrying value	Percent of total
	(EUR million, except percentages)					
Scheduled maturity						
Due in one year or less	557.1	2%	2,707.5	8%	2,617.5	9%
Due after one year to five years	5096.1	16%	5,507.3	16%	4,979.8	17%
Due after five years to ten years	8,877.8	29%	6,800.6	20%	7,277.7	24%
Due after ten years to 20 years	6,107.5	20%	7,167.2	21%	8,072.7	27%
Other	9,796.5	33%	12,666.9	36%	7,179.1	24%
Total	**30,435.1**	**100%**	**34,849.5**	**100%**	**30,126.8**	**100%**

(1) The 31 December 2015 figures do not include Delta Lloyd Bank Belgium and Delta Lloyd Deutschland. The Group sold both entities in 2015.

The following table presents the breakdown of the Group's own risk debt security portfolio by ten largest issuers at 31 December 2015, 2014 and 2013:

Own risk debt security portfolio by ten largest issuers	As at 31 December 2015
	(EUR million)
Netherlands	3,123
Germany	3,051
Austria	2,163
Belgium	1,849
France	1,699
Spain	1,199
European Investment Bank	1,047
European Commission	751
Rabobank	715
Italy	664
Total top ten	**16,261**

Own risk debt security portfolio by ten largest issuers	As at 31 December 2014(1)
	(EUR million)
Germany	4,393
Netherlands	3,357
Austria	2,936
Belgium	2,345
France	2,026
Group Securitisations	1,406
European Investment Bank	928
European Commission	815
Rabobank	770
Fineland	680
Total top ten	**19,656**

(1) Includes own risk debt securities of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.

Own risk debt security portfolio by ten largest issuers	As at 31 December 2013(1)
	(EUR million)
Germany	3,594
Netherlands	2,676
Austria	2,653
Belgium	1,874
Group Securitisations	1,586
France	1,453
European Commission	896
Rabobank	747
Suropean Investment Bank	697
Slovakia	553
Total top ten	**16,729**

(1) Includes own risk debt securities of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.

The following table presents the breakdown of the Group's own risk debt security portfolio (GIIPS countries) by asset type at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
	Carrying value	Percent of total	Carrying value	Percent of total	Carrying value	Percent of total
	(EUR million, except percentages)					
Own risk debt security portfolio						
Sovereigns and sub-sovereign(1)	2,456.9	65%	1,760.4	45%	502.8	26%
Corporate bonds (non-financials)	504.3	13%	511.2	13%	373.8	19%
Corporate bonds (financials)(1)	283.0	7%	337.1	9%	134.3	7%
Other bonds(2)	589.0	15%	1,007.8	26%	706.5	38%
Loans and receivables	0	0.0%	263.5	7%	199.7	10%
Total	**3,833.3**	**100%**	**3,880.0**	**100%**	**1,917.1**	**100%**

(1) Includes bonds issued by local governments and bonds guaranteed or issued by entities guaranteed by governments, such as government agencies, public banks or supranational entities.

(2) Includes bonds secured against specific assets or receivables (asset-backed securities), mortgage loans (mortgage-backed securities) or cash flows from a whole business segment (whole business securitisations), in each case via a special purpose vehicle.

The table below presents the breakdown of the Group's own risk debt security portfolio by country (GIIPS countries) at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
	Carrying value	Percent of total	Carrying value	Percent of total	Carrying value	Percent of total
	(EUR million, except percentages)					
Issuer						
Spain	1,934.7	50%	1,741.7	45%	965.2	50%
Italy	1,008.0	26%	1,175.2	30%	579.1	30%
Ireland	679.6	18%	742.6	19%	326.2	17%
Portugal	182.8	5%	214.8	6%	46.6	3%
Greece	28.2	1%	5.7	0%	0.0	0%
Total bond portfolio	**3,833.3**	**100%**	**3,880.0**	**100%**	**1,917.1**	**100%**

Equity

As at 31 December 2015 and 2014, the Group's own risk equity portfolio included ordinary shares valued at EUR 1,760.2 million and EUR 1,772.8 million, respectively. The strategy for investment in equity is long-term and strategic, with an emphasis on value creation, and with the aim of using available tax exemptions. Therefore a significant part of the portfolio is invested in stakes of over 5% of issuer's total outstanding share capital in certain Dutch companies. The strategy is value based with an emphasis on management strength, balance sheet quality and dividend yield.

The following tables present the fair value of the equity, the percentage of ownership the Group has in the outstanding shares and the percentage of the carrying value of the Group's total equity investments that the issuer's shares represent, respectively, of the Group's ten largest own risk equity positions as at 31 December 2015, 2014 and 2013:

	As at 31 December 2015	
	Carrying value	Percent of total equity investments
	(EUR million, except percentages)	
Issuer		
Van Lanschot(1)	263.3	13%
Ahold	206.9	11%
DSM	74.4	4%
Ten Cate	40.4	2%
Accell	30.8	2%
Cofinimmo	29.5	2%
Nederland Apparatenfabriek	25.1	1%
Heijmans	20.9	1%
Triodos Bank	15.9	1%
Bang & Olufsen	15.1	1%

(1) Options for Delta Lloyd's 30% stake in Van Lanschot are currently under review.

Issuer	As at 31 December 2014	
	Carrying value	Percent of total equity investments
	(EUR million, except percentages)	
Van Lanschot[(1)]	215.8	13%
Ahold	205.2	12%
DSM	68.2	4%
TKH Group	39.8	2%
Exact Holding	39.0	2%
Heijmans	38.4	2%
Arcadis	37.4	2%
PostNL	32.7	2%
Ten Cate	24.2	1%
Galapagos	23.6	1%

(1) Options for Delta Lloyd's 30% stake in Van Lanschot are currently under review.

Issuer	As at 31 December 2013	
	Carrying value	Percent of total equity investments
	(EUR million, except percentages)	
Van Lanschot[(1)]	223.7	12%
Ahold	221.5	11%
DSM	69.7	4%
BinckBank	57.8	3%
Arcadis	57.8	3%
TKH Group	52.1	3%
BAM	46.9	2%
Heijmans	44.5	2%
Galapagos	42.3	2%
Ten Cate	34.4	2%

(1) Options for Delta Lloyd's 30% stake in Van Lanschot are currently under review.

Van Lanschot

Van Lanschot is the oldest independent bank in the Netherlands (275 years old) and active as a specialist, independent wealth manager, with a focus on the creation and preservation of the wealth of its clients in the private banking, asset management and merchant banking areas. The bank has two established names, Van Lanschot and Kempen & Co. with private and institutional clients.

Real Estate

At 31 December 2015 and 2014, the value of the Group's own risk real estate portfolio was EUR 1,381.0 million and EUR 2,636.4 million, respectively. The Group's real estate portfolio at 31 December 2015 consists of EUR 1,211.1 million of directly-owned residential assets, with a focus on the Netherlands, and EUR 61.9 million of indirect exposure to real estate through other investments, namely non-listed Dutch real estate funds.

The Group's short-term strategy for direct real estate investments is to maximise free cash flow and optimise the holdings in its portfolio. In the medium and long-term, the Group seeks to be an active real estate fund manager for itself. In addition, the Group seeks to develop and launch beneficial real estate investment opportunities for itself.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands.

On 23 December 2015, the Group announced that it had sold its retail portfolio to EPISO 4 for EUR 273 million. The sale comprised 15 retail centres and premises in the Netherlands. With this sale the Group has divested its entire commercial property portfolio.

The table below represents the Group's own risk real estate holdings by category at 31 December 2015, 2014 and 2013:

	As at 31 December					
	2015		2014		2013	
	Carrying value	Percent of total	Carrying value	Percent of total	Carrying value	Percent of total
	(EUR million, except percentages)					
Real Estate Categories						
Residential	1,073.1	78%	1,065.9	40%	1,000.1	39%
Office	47.8	3%	745.9	28%	798.5	31%
Retail	31.0	2%	284.4	11%	311.8	12%
Owner occupied property (OOP)	33.7	3%	102.6	4%	112.2	4%
Other	195.3	14%	437.6	17%	344.7	13%
Total	1,381.0	100%	2,636.4	100%	2,567.3	100%

The table below provides an overview of the Group's material owned and leased offices as of the date of this Prospectus.

	Ownership	Size (square metres)	Encumbrances
Corporate headquarters at Amstelplein 6, Amsterdam	Leased	11,248	N/A
Spaklerweg 4, Amsterdam	Leased	46,912	N/A
Omval 300, Amsterdam	Owned	2,161	N/A
Rijksweg West 2, Arnhem	Leased	17,275(1)	N/A
Binnen Parallelweg 60, Helmond.	Leased	1,800	N/A
Boompies 57, Rotterdam	Leased	1,953	N/A
Grote Voort 247, Zwolle	Leased	7,586(2)	N/A
Fonsnylaan 38, Brussels	Owned	12,670	N/A

(1) As per 30 June 2016, 13,361 square metres.
(2) As per 30 June 2016, 7,222 square metres.

Information Technology

Technology is changing society and transforming the Group: sales, customer service and internal processes are increasingly moving online. Customers can compare, buy and renew their car, health or life insurance, submit their claims, arrange their pension and contact the Group, all via the internet or a mobile app from the comfort of their own homes. The Group employees can work from anywhere at any time, facilitated by smart phones and tablets that can securely access digital information.

To facilitate this transformation requires a new kind of infrastructure and new skills, not only to support the fast-developing technology and ensure that the systems are stable and secure, but also to innovate so that technology can be used to the Group's and customers' advantage.

The current IT strategy includes the following elements:

- Legacy reduction by focussing on infrastructure platform rationalisation;
- Chain integration and Straight Through Processing ("STP");
- Sales and services via Internet; and
- Smart digitalisation (i.e. digitalisation of incoming mail, internal documents and outgoing documents).

For several years the Group has been working on consolidating legacy systems and reducing the number of software applications, thereby cutting costs and making processes simpler and more efficient. By the end of 2015, the Group had reduced the number of applications to 601, from the more than 1400 it had in 2007. The

Group also digitalised all of its archives: around 13 kilometres of paper information can now be accessed online. In 2015, the volume of incoming physical mail was further reduced of which around 65% was scanned and emailed to the relevant employee or department.

Information security ensures the delivery of secure and reliable services to the Group's customers. The Group has an information security programme, and has assessed and improved the information security maturity level as well as the cyber security capabilities. The Group made and will continue to make important steps towards a robust cyber security defence. The Group will continue to strive to identify opportunities to further strengthen the security of its online presence and information security risk management capabilities.

Big Data and Biometrics

The Company has set up a testing ground to look at ways to use big data, for example to research price-risk differentiation or for fraud analysis. The Company also tested biometric authentication such as facial recognition or finger prints to log in to websites rather than easier to hack passwords.

For the car insurance business, the Company tested an in-car sensor that monitors driving behaviour, so that safer drivers pay lower premiums. And in January 2015, the Company organised its first 'hackathon' with around 12 teams of internal and external software developers working on developing specific business ideas.

The Company will continue its course on building and improving its IT systems in order to support online sales, services and customer communications channels. For example, the Company introduced an innovative fraud detection system called "Sjerlok" in 2015, which combines big data, artificial intelligence and detective work to search the internet for missing or stolen objects. Furthermore, the Company introduced "Carefree Recover", a repair network for the Company's business customers in which the Company takes care of all of the work related to damages.

Litigation

General

Except as described below, neither the Company nor any Group company is, or during the 12 months preceding the date of this Prospectus has been, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability, nor is the Company aware of any such proceedings being pending or threatened. For information regarding certain legal proceedings see note 4.1.7.35 '*Contingent assets and liabilities*' to the 2015 Financial Statements incorporated by reference herein.

DNB measures imposed on DLL and the Company

On 2 July 2012, DNB introduced a fixed interest rate (UFR) to be used when calculating insurance liabilities with terms exceeding 20 years. In the week before the UFR was introduced, the Company decided to reduce its interest rate risk hedges. DNB performed an investigation of whether the Company's decision-making process at that time was in accordance with the requirements of so-called 'sound operational management'. DNB imposed a fine of EUR 22.8 million on DLL and also reassessed the 'suitability' (*geschiktheid*) of the Company's CFO and concluded that the Company should dismiss him by 1 January 2016 at the latest, even though it concluded that the CFO's 'integrity' (*betrouwbaarheid*) was beyond dispute. The Company's Supervisory Board instituted its own review of the same facts and circumstances and reached different conclusions. The Company decided to submit DNB's measures to the court and request it to rule on the interpretation of the facts and circumstances and the associated conclusions, including the 'dismissal' of the CFO, as well as the fine and the way it was calculated.

On 31 July 2015, the administrative court in Rotterdam delivered its ruling in these proceedings. In its ruling, the court endorsed the view taken by DNB and, as a result, upheld the fine that DNB imposed on DLL. The court lowered the fine by EUR 120,000, reducing it to EUR 22,680,000. The court allowed the Company's appeals against the dismissal of its CFO, suspended the instruction and ordered DNB to issue a new decision on the objections filed by the Company. Following the court's ruling, the Company's CFO resigned as of 3 August 2015 and Supervisory Board chairman Jean Frijns resigned as of 1 October 2015. Neither the Group nor DNB lodged an appeal and DNB did not publish the decision to impose the fine.

The AFM conducted its own investigation into the events of June 2012 as described above. This investigation focused on the organisational structure of DLAM, the Group's investment business, and the degree to which this structure guarantees sound operational management. On 5 June 2015, the AFM took the decision to impose a EUR 750,000 fine on DLAM in its capacity as its competent regulator. The Company and DLAM withdrew their objections against the fine and as a consequence the decision to impose the fine became irrevocable. On 10 November 2015, the AFM published information regarding the fine imposed on DLAM.

Unit-Linked Insurance Transparency Investigation and Settlement

Pure unit-linked insurance products are life insurance policies where the policyholder bears the investment risk of the invested premiums. Such unit-linked insurance products require lower solvency levels than traditional life insurance. Unit-linked insurance may include a guarantee of minimum returns from the insurer. Many of the Group's unit-linked insurance policies include such guarantees.

Unit-linked insurance products have been the subject of debate and alleged claims of mis-selling since 2006. Unit-linked insurance products were developed and launched in the 1990s at a time when equity markets were strong. Unit-linked insurance products have proven to be popular during periods of equity market appreciation, since this appreciation benefits the policyholder. However, as markets began to decline in 2006, unit-linked insurance products became less attractive compared with traditional life insurance products as only the actual returns on equity investments were available to be passed on to policyholders and such returns were declining. In some cases the value of a policy could be partly influenced by the level of costs and/or the structure of the products. Together with declining markets this situation resulted in a small number of non-accruing unit-linked insurance policies (a unit-linked insurance policy where the future increase of value is less than the future contribution payments). In September 2006, a large group of policyholders and consumer organisations started a public debate regarding the (perceived) lack of transparency of the structure of these contracts, particularly in respect of the costs of certain products, as well as certain aspects of the nature of the products (possible "defective products" claims).

Following this public debate, the Group (AAL and DLL) entered into agreements in 2008 and 2010 with consumer and investor interest groups (a.o. *Stichting Verliespolis, Vereniging van Effectenbezitters and Vereniging Eigen Huis*). The agreements include a settlement on standardised charges for individual, privately held unit-linked insurance products purchased in the past. The Wabeke recommendation was taken into account for determining the compensation. An arrangement was also made for customers in "distressed" situations. At the end of 2012, the Group added the compensation directly into the policies and it is therefore included in the Group's insurance liabilities, a method which was recommended by the Dutch Ministry of Finance.

The Group has informed its customers about their unit-linked insurance policies through advisers and its Intermediaries, so they can make well-considered decisions about whether or not to adjust their policies. In the event that the advisers and Intermediaries are not able to advise a customer or a customer no longer has an adviser, the Group itself provides advice to this customer. If customers want to change their policies, the Group will support them in adjusting their policies. The Group has been actively contacting its customers for them to take action in this regard. The Group refers to the process of contacting customers and informing them of their options as the "activation" of customers. The activation of customers was imposed by the Dutch Ministry of Finance through legislation. The corresponding targets were imposed by the AFM. With respect to the activation of customers with a non-accruing policy, the AFM imposed a target of activating 100% of its customers by 21 August 2015. The Group did not fully reach this target as it achieved an activation percentage that was slightly below 100%. Therefore, by 21 August 2015 the Group was not fully compliant with the target imposed by the AFM as set out in the Further Regulations on the Supervision of the Conduct of Financial Undertakings (*Nadere Regeling gedragstoezicht financiële ondernemingen Wft*), but it continues its efforts to reach the remaining customers with non-accruing policies to achieve the target of 100%. With respect to the activation of customers with a mortgage-linked policy, the AFM imposed a target of activating 80% of customers by 21 August 2015. The target of activating 80% of the customers with a mortgage-linked policy by 21 August 2015 was achieved, as the activation percentage was already above that percentage by the end of 2014. By year end 2016, according to the target imposed by the AFM, 100% of customers with mortgage-linked polices need to be activated. The AFM published the activation scores reached by insurers in its report of 28 October 2015. The Group continues its efforts to reach the last remaining customers with mortgage-linked policies. Additionally, the Group is now focusing on the activation of customers with deferred annuity policies (a pension related unit-linked insurance policy).

The Group has endeavoured and continuously endeavours to come to customer tailored solutions. Besides a small number of complaints (per 31 December 2015 a total of 23 complaints were being processed) filed at the Klachteninstituut Financiele Dienstverlening (*Kifid*) and one individual claim (for a very limited amount) filed in court, there are currently no claims filed or proceedings initiated against the Group regarding the (alleged) lack of transparency concerning unit-linked insurance contracts or the level of costs associated with these products, individually by policyholders or by consumer-interest organisations on their behalf.

On 29 April 2015, the Court of Justice rendered a long awaited judgement regarding questions referred to the Court of Justice by the District Court of Rotterdam in a dispute that arose between NN and a policyholder. The dispute concerned information that NN was obligated to provide to the policyholder. The questions referred to the Court of Justice included whether the provisions of the EU Third Life Assurance Directive precluded an insurance company, on the basis of general principles of domestic law such as the 'open and/or unwritten rules', from being required to send to policyholders certain information additional to that listed in the directive. In its judgement of 29 April 2015, the Court of Justice ruled that Member States may require information, additional to that listed in the directive, to be provided by an insurance company. However, if additional information is required, the basis must be such, in accordance with the principle of legal certainty, that it enables insurance companies to identify with sufficient foreseeability what additional information they must provide and which the policyholder may expect. When the basis of an obligation to provide additional information is formed by 'open and/or unwritten rules', it is for the court of the Member State to assess whether the 'open and/or unwritten rules' at issue meet the requirement that it is sufficiently foreseeable for insurers and what additional information they are required to provide.

The parties to the dispute that was heard by the District Court have reached a settlement. As a result, the assessment noted above will not now be made by this court. Therefore, such assessment will have to be made by a court in another individual case. It is to be expected that a decision by such court could be appealed and ultimately be brought before the Dutch Supreme Court (*Hoge Raad*) to rule on this matter in highest instance. Such proceedings could take several years and the outcome thereof is uncertain. Since there are many different types of unit-linked policies and the information provided to clients on these policies varies by customer, it is inherently difficult to predict the impact of any court ruling in an individual case (or a decision of the Court of Appeals or Dutch Supreme Court, if any) on the insurance business as a whole, including the impact on the Group's unit-linked portfolio. An adverse outcome of any such court ruling could have a material adverse effect on the Group's business, reputation, results of operations, solvency, financial condition and prospects.

Delta Lloyd Asset Management and Delta Lloyd Levensverzekering N.V. vs. Lioncross Ltd.

DLAM and DLL are involved in a legal dispute with Lioncross Ltd ("Lioncross"). On 19 August 2015, Lioncross sued DLAM and DLL, claiming payment of USD 29,111,338.14. DLAM and DLL believe that the Lioncross claim is based on forged documents and accordingly initiated legal proceedings for forgery against Lioncross, it's director(s) and ultimate beneficial owner.

Lioncross' ultimate beneficial owner advised DLAM in respect of various derivatives. DLAM and DLL are both key creditors, as bondholders and counterparties under a cross currency swap of Rolsa N.V. ("Rolsa", formally known as Orca Finance Netherlands N.V. "OFNL"), an investment vehicle set up by the ultimate beneficial owner of Lioncross.

In 2014, DLAM, DLL and Rolsa attempted to agree on a restructuring of Rolsa after Rolsa entered into financial difficulty. DLAM and DLL became aware of irregularities and suspect transactions and/or cash flows within Rolsa and Lioncross. One of the suspect transactions was a transfer in November 2011 of a claim by Rolsa against an English law firm. Rolsa sold this claim for USD 520,000 to Lioncross, a newly-incorporated Cypriot entity. A few months later, the claim resulted in a settlement of over USD 20,000,000. As a condition for agreeing to a restructuring, the executive boards of DLAM and DLL required assurance that the USD 20,000,000 would flow back to Rolsa and that an independent auditor would be appointed to investigate all suspect transactions. Neither Rolsa nor Lioncross gave the requested assurance. During a noteholder meeting held on 28 November 2014, DLAM and DLL voted against the restructuring. Rolsa filed for moratorium which was granted on 10 December 2014. On 3 December 2014, DLAM and DLL received a letter from Lioncross in which it claimed that DLAM and DLL had breached their contractual obligations to Lioncross by voting against the restructuring, on the basis of an agreement dated 30 November 2011 which was allegedly entered into among DLL and Lioncross. The relevant persons within DLAM and DLL who had been dealing with Rolsa and Lioncross were unaware of this agreement.

Lioncross is basing its claim on this alleged breach of contract related to the bankruptcy of Rolsa. DLAM and DLL have initiated, independent internal and external forensic investigations by specialised parties as to the authenticity of the relevant contracts, related contracts and all other relevant facts and communications. Such investigations strongly indicate that the contracts being invoked by Lioncross are forgeries and the claims made by Lioncross are not substantiated by any evidence.

DLAM and DLL resolved to take actions against Lioncross, its director(s) and ultimate beneficial owner, and reported the forgery to the Public Prosecution Service (Openbaar Ministerie) on 14 August 2015. In addition, DLAM and DLL have prepared a statement of defence in which both DLAM and DLL deny any and all liability. This statement of defence was filed with the competent court in Amsterdam on 25 November 2015. Subsequently, the competent court of Amsterdam ordered personal appearance of the parties (*comparitie van partijen*) on 24 March 2016 to obtain further information and to try to reach a settlement.

Fubon

The Company has received several letters starting in late 2015 from counsel and representatives for Fubon, a Taipei-based financial firm, which has been a substantial shareholder in the Company since its participation in the Company's accelerated book building offering in March 2015 (in which it purchased 12 million of the 19.9 million Ordinary Shares sold at a price per Ordinary Share of EUR 17.00; Fubon has noted it later increased its stake to 16.37 million Ordinary Shares). According to the AFM register on substantial holdings, Fubon has an indirect substantial interest of 5.23% of the share capital and 5.23% of the voting rights of the Company. To the best knowledge of the Company, on 9 March 2016, the record date for the extraordinary general meeting at which the shareholders resolved, amongst other things, to approve the Rights Offering, the interest held by Fubon amounted to 6.86% of the share capital and 6.86% of the voting rights of the Company.

In its letters, Fubon queried whether the Company was in compliance with its disclosure obligations, including at the time of the March 2015 offering and over summer 2015, and demanded that the Company make certain additional public disclosures and provide detailed information regarding, among other things, the composition of the Company's investment portfolio and the development of the Company's IGD and Solvency II ratios. In addition, Fubon has claimed compensation from the Company for the entire loss in value of its investment (the trading price of the Ordinary Shares was EUR 6.03 on the day before the date of this Prospectus) and objected to this Offering, including in light of the then current trading price of the Ordinary Shares. Fubon noted that unless its demands were met it would have no choice but to pursue all available legal remedies.

The Company has rejected all claims of liability.

PT Consultancy

PT Consultancy claims payment from the Company due to an alleged breach of contract or act of tort in relation to the termination of a cooperation regarding a financial product. In 2007, PT Consultancy, a financial and insurance advisor, approached Lancyr, a former affiliate of the Group, with a business proposition regarding the sale of mortgages. In 2008, PT Consultancy and Lancyr entered into a cooperation aimed at marketing the proposition. PT Consultancy and Lancyr terminated their cooperation in December 2008 after reaching a full and final settlement.

The initial claim was approximately EUR 2.4 million and has been increased to approximately EUR 120 million. PT Consultancy has submitted a court motion to the District Court of Amsterdam requesting the court to be allowed to hold preliminary witness hearing sessions (*verzoek tot het houden van een voorlopig getuigengehoor*) before deciding whether or not to start legal proceedings. Both in the past as recently, potential settlement options have been discussed with PT Consultancy, but these settlement negotiations have not succeeded. At this moment the legal basis for the significant increase in the amount of the claim is not substantiated.

Athene Lebensversicherung & Athene Deutschland

Several claims have been brought against the Company by Athene Lebensversicherung AG ("Athene Lebensversicherung"), the former Delta Lloyd Lebensversicherung AG, and its parent company, Athene Deutschland GmbH (the former Delta Lloyd Deutschland A.G., formed after the merger with Athene) ("Athene Deutschland"). Neither Athene Lebensversicherung nor Athene Deutschland have initiated any court proceedings against the Company with regard to these claims as at the date of this Prospectus.

Claims in connection with the Share Purchase Agreement

On 14 January 2015, the Company, Blitz 14-164 GmbH (which was later merged into Athene Deutschland and Athene) signed an agreement regarding the sale and transfer of the shares in Athene Deutschland from the Company to Blitz 14-164 GmbH (the "Share Purchase Agreement"). After the signing of the Share Purchase Agreement and closing of the transaction thereunder, Athene Deutschland and Athene Lebensversicherung made the following claims in connection with the Share Purchase Agreement against the Group in a letter dated 27 October 2015.

Current Account related to Janssen & Helbing claim purchased by DLNV

Athene Deutschland claimed payment from the Company pursuant to the provisions the Share Purchase Agreement. According to this agreement, the Company was required to transfer funds to Athene Lebensversicherung, at closing, to cover all outstanding claims relating to the Janssen & Helbing loan portfolio. The Company paid EUR 51,349,344.77. Athene Lebensversicherung alleges that this amount was not sufficient, and should be increased by EUR 2,765,287.46. The Company argues that the EUR 2,765,287.46 in question should have been deducted from the repayment amount fixed in the agreement, as this amount represented a liability of Athene Lebensversicherung towards the Company. Therefore, the Company declared that it would offset its claim of EUR 2,765,287.46 against the claim of Athene Lebensversicherung.

Alleged overstatement of provisions for premium refunds in 2014

Athene Deutschland claimed payment from the Company due to an alleged violation of the Company's representations under the Share Purchase Agreement. Athene Deutschland alleges that certain companies it purchased in the Delta Lloyd Deutschland Group had not been operated in the normal and ordinary course of business. According to Athene Deutschland, Athene Lebensversicherung made provisions for premium refunds in a total amount of EUR 5 million after the end of the 2014 financial year, although the relevant regulation would only have required Athene Lebensversicherung to transfer EUR 2,079,255 to these provisions for 2014. The transfer of the provisions therefore exceeded the minimum amount by 200% whereas in earlier periods the required minimum amount had only been exceeded by approximately 106% to 111%. Athene Deutschland therefore claims that the allocation was not made in the normal and ordinary course of business. However, as noted by Athene Deutschland, the transfer was in accordance with the accounting planning for the end of 2014. There is no general guideline that transfers of provisions for premium refunds are not allowed to exceed a certain multiple of the minimum amounts according to statutory requirements. The Company has requested that KPMG review the appropriateness of the contribution made to the provisions for premium refunds.

Claim in connection with a transaction in iArena B.V. notes

Athene Lebensversicherung claimed payment from the Company of an allegedly outstanding total amount of EUR 15,889,818.89 of the purchase price for the notes under an alleged share purchase agreement.

Athene Lebensversicherung (at the time Delta Lloyd Deutschland and part of the Group) acquired iArena B.V. notes from iArena (the issuer) and certain entities of the Group through a share purchase agreement dated 26 May 2014. Pursuant to the share purchase agreement, the Company granted Athene Lebensversicherung a put option to be exercised after the closing of the transaction. In May 2015, Athene Lebensversicherung and Delta Lloyd Life Belgium entered into discussions regarding a sale of the notes to Delta Lloyd Life Belgium for a purchase price of EUR 116,467,800.

According to Athene Lebensversicherung, a share purchase agreement was entered into among Athene Lebensversicherung and Delta Lloyd Life Belgium regarding the notes on 29 May 2015. However, Athene Lebensversicherung is unable to produce any evidence of this agreement.

On 8 June 2015, a member of the management board of Athene Lebensversicherung informed an employee of Delta Lloyd Life Belgium that the transaction would be settled on 15 June 2015, although the actual agreement was only expected to be signed in the week of 15 June 2015.

According to internal meeting minutes of Athene Lebensversicherung dated 10 June 2015, the share purchase agreement had allegedly been made on 29 May 2015.

Notwithstanding the above, on 15 June 2015, a payment of EUR 116,467,800 was made to Athene Lebensversicherung in regards to the notes. However, after the person at Delta Lloyd Life Belgium, who had been informed that the settlement should take place on that day, learned that no settlement was to be made on that day, the amount was re-transferred to Delta Lloyd Life Belgium.

On the same date, but shortly prior to the money transfer, the respective member of the management board of Athene Lebensversicherung sent an email to Delta Lloyd Life Belgium stating that the approval from the supervisory committees of both the Company and Athene Lebensversicherung AG would need to be obtained prior to settlement. Both approvals were not obtained.

The same member of the management board of Athene Lebensversicherung and a member of the executive board of Delta Lloyd Life Belgium, were still in discussions about the exact details of the share purchase agreement on 21 June 2015. On 22 June 2015, Athene Lebensversicherung was informed that the intended transaction was cancelled.

On 6 October 2015, Athene Lebensversicherung exercised the put option under the share purchase agreement. On 13 October 2015, the Company transferred EUR 100,577,981.11 to Athene Lebensversicherung.

The Company argues a share purchase agreement has not been entered into between Athene Lebensversicherung and Delta Lloyd Life Belgium, in an amount of EUR 116,467,800 and that this is shown by the communication between the different persons involved and the fact that the necessary approvals were never obtained.

Highfields

On 1 March 2016, Highfields published a document setting out its reaction to our Capital Plan as presented on 24 February 2016 and its conclusion to vote against the Rights Offering. On 4 March 2016, Highfields commenced inquiry proceedings (*enquêteprocedure*) before the Enterprise Court seeking an independent investigation (*enquête*) into the policy and affairs of the Company dating from 1 August 2015 and to have the Enterprise Chamber appoint an independent expert to conduct such investigation. Highfields' application to the Enterprise Chamber also contained a petition for immediate injunctive relief with the effect of prohibiting the vote on the Rights Offering at the extraordinary general meeting planned for 16 March 2016. Another shareholder, Fubon filed a statement with the Enterprise Chamber supporting Highfields' requests on 10 March 2016, although it did not file a claim of its own.

Inquiry proceedings constitute a specific cause of action under Dutch statutory corporate law which allow, inter alia, a shareholder or a group of shareholders (above a certain share ownership threshold) to request the Enterprise Chamber, a specialised business court, to appoint one or more experts to conduct an investigation into the policy and affairs of a Dutch company. The request for an inquiry is filed by way of a first-stage petition. In order to be successful, the applicant must demonstrate that there are well-founded reasons to doubt the soundness and propriety of the company's policy. If the application is successful, the court-appointed investigators will perform their investigation and they will subsequently issue their report. On the basis of the findings of this report, the applicant may then file a second-stage petition for a declaratory judgment from the Enterprise Chamber that mismanagement (*wanbeleid*) has occurred at the company. This second stage petition may also include requests for certain definitive remedial measures such as the nullification of board or shareholder resolutions or the removal of one or more board members. The Enterprise Chamber cannot render an award for damages in the course of inquiry proceedings, nor can it establish liability for directors.

In the course of these proceedings, both at the first stage as well as at the second stage, the applicant may also request the Enterprise Chamber to impose interim measures by way of injunctive relief. Contrary to the definitive remedial measures mentioned above (for which the statute explicitly provides for an exhaustive list of measures that may be requested), the types of interim measures that may be requested are not limited by statute. Thus, applicants are by and large free to request any interim measure and the Enterprise Chamber has considerable discretion in deciding on whether or not to grant the requested measures. Even so, the interim measures may not concern an award for damages or the establishment of liability.

The Enterprise Chamber rejected Highfields' requests for immediate injunctive relief on 14 March 2016. The Enterprise Chamber has not yet issued a judgment on Highfields' request to order an independent investigation into the policy and affairs of the Company. In view of the urgency of the matter, the hearing that took place on 14 March 2016 and the Enterprise Chamber's judgment of the same date only concerned Highfields' requests for immediate injunctive relief. The Enterprise Chamber has reserved judgment on the request for an independent investigation and a separate hearing will be scheduled to hear the parties' arguments with respect to this request.

Spaarselect

Legal proceedings have been initiated by 231 civil plaintiffs against, amongst others, Delta Lloyd Life Belgium in which they are seeking a total indemnification of EUR 55,801,219.34 on the basis of alleged infringements of the Belgian Consumer Credit Act and the Belgian Insurance Act. Delta Lloyd Life Belgium is currently preparing its first legal briefs on the matter, which shall be filed with the court by 28 April 2016. The court has set the date of trial for 6 September 2017. At the time of the acquisition of Swiss Life Belgium by Delta Lloyd Life Belgium, the acquisition agreement provided Delta Lloyd Life Belgium with a specific indemnity for damages in respect of the Spaarselect matter, which the Group believes sufficiently protects its interests.

Material Contracts

The following are contracts (other than those entered into in the ordinary course of business) that have been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus which are material or which have been entered into by any member of the Group at any other time and which contain provisions under which any member of the Group has an obligation or entitlement that is material to the Group at the date of this Prospectus.

Fonds NutsOhra

On 16 October 2009, the Company and Fonds NutsOhra entered into a sale and purchase agreement to restructure the Preference Shares A held by Fonds NutsOhra. The Preference Shares A are convertible into Ordinary Shares. The conditions of conversion were determined upon the first issuance of the Preference Shares A and are set out in a convertible loan agreement dated 22 December 1999 between Fonds NutsOhra and the Company, as amended per 16 October 2009. On 6 November 2015, certain terms of the convertible loan agreement were restructured to ensure grandfathering of the convertible loan under Solvency II for a period of three years. DNB has given its express consent to this amendment. See also "*Description of Share Capital and Corporate Structure —Composition of the Share Capital*" and "*Major Shareholders and Related Party Transactions—Related Party Transactions—Long-term loan with Fonds NutsOhra*".

Delta Lloyd ABN AMRO Verzekeringen

Acquisition of 51% of Delta Lloyd ABN AMRO Verzekeringen

On 19 March 2003, the Company entered into a share purchase agreement with ABN AMRO Bank N.V. and ABN AMRO Verzekeringen Holding B.V. to acquire 51% of ABN AMRO Verzekeringen Holding B.V., which was renamed Delta Lloyd ABN AMRO Verzekeringen. The business of Delta Lloyd ABN AMRO Verzekeringen is to develop, offer and underwrite insurance products marketed and sold through the ABN AMRO Bank N.V. distribution network to consumer, commercial, private and corporate customers of ABN AMRO Bank N.V. However, ABN AMRO Bank N.V. is not required to promote the ABN AMRO Verzekeringen products to all its clients. Pursuant to the share purchase agreement, on 19 March 2003, the Company and ABN AMRO Bank N.V. entered into a shareholders' agreement, an agency agreement and an IT services and transition agreement. The shareholders' agreement, the agency agreement and the IT services and transition agreement have an initial term of 30 years and expire on 1 January 2033.

Shareholders' agreement

The governance structure of Delta Lloyd ABN AMRO Verzekeringen is based on a balanced model of equality but the Company has management control in and fully consolidates Delta Lloyd ABN AMRO Verzekeringen. The dividend policy target of Delta Lloyd ABN AMRO Verzekeringen is to distribute, to the extent permitted by law and subject to its articles of association, 50% of its net profits in respect of each financial year as soon as the solvency multiple of the required minimum margin of 150% in respect of the life insurance business is achieved by Delta Lloyd ABN AMRO Verzekeringen. The Company and ABN AMRO Bank N.V. are able to review Delta Lloyd ABN AMRO Verzekeringen as from January 2021. Upon such review, both parties are entitled to terminate the shareholders' agreement after an 18 month notice period.

Agency agreement

The agency agreement covers the exclusive sale and distribution by ABN AMRO Bank N.V., as an insurance intermediary, of the life and general insurance products offered and underwritten by Delta Lloyd ABN AMRO Verzekeringen or certain insurance companies (being ABN AMRO Assuradeuren B.V., ABN AMRO Levensverzekering N.V., ABN AMRO Schadeverzekering N.V. and ABN AMRO Verzekeringen B.V.) to all customers of ABN AMRO Bank N.V. in the Netherlands for the account and risk of Delta Lloyd ABN AMRO Verzekeringen.

IT services agreement

Delta Lloyd ABN AMRO Verzekeringen requires the use of ABN AMRO Bank N.V. IT services to perform its obligations under the agency agreement and the shareholders' agreement for a transitional period following completion of the shareholders' agreement after which the IT systems of Delta Lloyd ABN AMRO Verzekeringen will be migrated to the IT systems of the Company or to Delta Lloyd ABN AMRO Verzekeringen's own system.

CZ

Sale of the Health Companies

On 14 December 2007, Delta Lloyd Groep Zorgverzekeringen B.V. which was later renamed Delta Lloyd Zorg B.V. ("Delta Lloyd Zorg") and several of the Group's other subsidiaries entered into a share purchase agreement with CZ to sell all shares in the capital of Delta Lloyd Zorgverzekering N.V. ("Delta Lloyd Zorgverzekering"), OHRA Ziektekostenverzekeringen N.V. and OHRA Zorgverzekeringen N.V., respectively (together the "Health Companies") to CZ, for EUR 25 million increased by the amount equal to the aggregate sum of the equity capital of each of the Health Companies as of the transfer date. The Company is a party to the share purchase agreement as guarantor. The labels, names and brands of the health insurance division of the Group and its distribution activities were excluded from the sale. The shares were transferred on 1 January 2009.

Pursuant to the share purchase agreement, the parties agreed on the management of in-force insurance prior to the transfer date (known as the "run-off" portfolio). CZ is responsible for managing the run-off portfolio at the risk and expense of Delta Lloyd Zorg. Under the contract, Delta Lloyd Zorg has retained both the benefits and risks associated with the business of the Health Companies prior to the transfer date. Following the transfer date, all the benefits and risks associated with the business of the Health Companies are at the risk and expense of CZ. Pursuant to the share purchase agreement, the parties also entered into two distribution agreements, a cross-sell agreement and an asset management agreement.

Distribution agreement for health insurance products

The Company, Delta Lloyd Verzekeringen N.V. and OHRA N.V. (Delta Lloyd Verzekeringen N.V. and OHRA N.V. merged into Delta Lloyd Houdstermaatschappij Verzekeringen N.V. in October 2010) and Delta Lloyd ABN AMRO Verzekeringen (together the "Delta Lloyd Health Distributors") entered into a distribution agreement with CZ and the Health Companies in connection with the development and execution of certain health insurances by CZ and the Health Companies and the marketing and distribution of those health insurances by the Delta Lloyd Health Distributors under the following brands: (i) Delta Lloyd and (ii) OHRA, with older brands (which collectively account for less than EUR 1 million in GWP, such as Kruidvat, Independer and Lancyr) being converted to the OHRA brand by the first quarter of 2016. CZ is the insurer of these products and bears all risk associated with them. CZ determines the premiums payable by customers for these products, although the Delta Lloyd Health Distributors are entitled to determine the amount of the surcharge to cover their labelling, distribution and commission costs, as well as the potential discounts. Premiums are collected by CZ and the Health Companies and the surcharge is paid to the Delta Lloyd Health Distributors as commission. The agreement was entered into on 14 December 2007 and became effective on 1 January 2009 for an initial period of ten years after which the agreement will automatically be extended for periods of ten years, unless an interim evaluation of the arrangements in every ninth year of each (extended) ten year period results in its termination by either party, after a five-year notice period following such evaluation. In addition to certain standard early termination provisions, CZ may terminate the agreement if the control over the Company or the Group is transferred to a third party which has 100,000 or more health insurance policies in its (group) portfolio. Furthermore, the agreement terminates automatically in respect of the ABN AMRO branded products upon termination of the Company's joint venture with ABN AMRO Bank N.V. For the duration of the agreement, none of the Delta Lloyd Health Distributors, or any of their group companies, may market or distribute any health insurances other than those made available by CZ and the Health Companies under this agreement.

Distribution agreement for loss of income related products

The Company, Delta Lloyd Verzekeringen N.V. and OHRA N.V. (Delta Lloyd Verzekeringen N.V. and OHRA N.V. merged into Delta Lloyd Houdstermaatschappij Verzekeringen N.V. in October 2010) entered into a distribution agreement with CZ and the Health Companies in connection with the development and execution by the Group and the marketing and distribution by CZ and the Health Companies under CZ brands (CZ and CZ Bedrijf en Gezondheid) of loss of income related insurances. The insurances include loss of income related insurance against inability to work and absence of employees and insurances related to the Dutch Work and Income Act (*Wet Werk en Inkomen naar Arbeidsvermogen*). Delta Lloyd Schadeverzekering acts as the insurer of these products and bears all risks associated with them. CZ and the Health Companies are paid a commission which is in line with market conditions for such loss of income related insurances sold under a CZ brand. The agreement was entered into on 14 December 2007 and became effective on 1 January 2008 for an initial period of 11 years, after which the agreement will automatically be extended for periods of ten years unless an interim evaluation of the contemplated cooperation in the agreement in 2018 results in its termination by either party after a five-year notice period following such evaluation. In addition to certain standard early termination provisions, CZ may terminate the agreement if the control over the Company or the Group is transferred to a third party which has 100,000 or more health insurance policies in its (group) portfolio. For the duration of the agreement, CZ and the Health Companies may not market or distribute any loss of income related insurances other than those made available by the Company and Delta Lloyd Houdstermaatschappij Verzekeringen N.V. under this agreement.

Cross-sell agreement

The Company, Delta Lloyd Verzekeringen N.V. and OHRA N.V. (Delta Lloyd Verzekeringen N.V. and OHRA N.V. merged into Delta Lloyd Houdstermaatschappij Verzekeringen N.V. in October 2010), Delta Lloyd ABN AMRO Verzekeringen and Delta Lloyd Bank Netherlands entered into a cross-sell agreement with CZ in connection with the undertaking of CZ to use its best endeavours to enable the Company, Delta Lloyd Houdstermaatschappij Verzekeringen N.V., Delta Lloyd ABN AMRO Verzekeringen and Delta Lloyd Bank Netherlands to cross-sell their banking, investment and insurance products and services (excluding health and loss of income related insurances, products and/or services) to CZ customers. No commission or other compensation is payable to CZ under this agreement. CZ may not use the customer database of the Company, Delta Lloyd Houdstermaatschappij Verzekeringen N.V., Delta Lloyd ABN AMRO Verzekeringen or Delta Lloyd Bank Netherlands for cross-selling its products and services to their customers. The agreement was entered into on 14 December 2007 and became effective on 1 January 2008 for an initial period of 11 years, after which the agreement will automatically be extended for periods of ten years unless an interim evaluation of the contemplated cooperation in the agreement in 2018 results in its termination by either party after a five-year notice period following such evaluation. In addition to certain standard early termination provisions, CZ may terminate the agreement if the control over the Company or the Group is transferred to a third party which has 100,000 or more health insurance policies in its (group) portfolio. For the duration of this agreement, CZ may not cross-sell products similar to the products of the Company, Delta Lloyd Houdstermaatschappij Verzekeringen N.V., Delta Lloyd ABN AMRO Verzekeringen or Delta Lloyd Bank Netherlands governed under this agreement to any of its customers.

Asset management agreement

On 23 January 2012, Delta Lloyd Asset Management and CZ Fund Management B.V. entered into an agreement, under the terms of which Delta Lloyd Asset Management manages funds for CZ Funds Management B.V. The agreement was effective as of 23 January 2012 and has been concluded for an infinite period. Each party can terminate the agreement upon 30 days' notice.

BeFrank

On 18 July 2014, DLL acquired the 50% equity stake in BeFrank N.V. held by BinckBank N.V. With this transaction the existing shareholders agreement between DLL and BeFrank N.V. ended as DLL now holds 100% of the shares of BeFrank.

BinckBank continues in its role as supplier of the IT-platform for BeFrank.

Delta Lloyd Bank Belgium

On 16 December 2014, the Company and Anbang entered into a share purchase agreement ("SPA") pursuant to which Anbang acquired 100% of the shares of Delta Lloyd Bank Belgium. The consideration for the transaction amounted to EUR 219 million which was subsequently reduced to EUR 206 million. In the SPA it was agreed that:

- Anbang obtained a call option on the Tier 1 loan that the Company made available to Delta Lloyd Bank Belgium;
- the existing insurance distribution arrangement between Delta Lloyd Bank Belgium and Delta Lloyd Life Belgium ending 31 December 2014 was extended until the first anniversary of the Completed transaction and that Delta Lloyd Bank Belgium and Delta Lloyd Life Belgium will use their best efforts to agree on a new distribution agreement;

- the existing distribution agreement between Delta Lloyd Bank Belgium and Delta Lloyd Asset Management on asset management funds was unchanged;
- Delta Lloyd Bank Belgium would change its name so that it no longer includes the words "Delta" and/ or "Lloyd". Effective 5 October 2015, the bank changed its name to "Bank Nagelmackers NV".
- The transaction was completed on 22 July 2015.

Delta Lloyd Deutschland

On 14 January 2015, Athene and Delta Lloyd signed a share purchase agreement according to which Athene acquired 100% of the shares in Delta Lloyd Deutschland. The transaction closed on 1 October 2015. The transaction is in line with the Group's strategy to dispose of non-core activities. Since 2010, the Group's German life business has been in run-off and without commercial activities. Following the closing of the sale, Athene has requested payment for several alleged claims. See "*—Litigation*" above.

Longevity Derivatives

In August 2014 and June 2015 the Group entered into the Longevity Derivatives. These Longevity Derivatives will reduce the financial impact of policyholders living longer than currently expected during the term of the contract. In exchange for this protection a fixed premium is paid to RGA at contract maturity that is offset against any payments from RGA due under the Longevity Derivatives.

Both transactions are structured as out-of-the-money derivatives whereby no payment from RGA will be received if current expectations, with respect to changes in mortality, are realised during the term of the contract. In other words, the Longevity Derivatives protect against mortality improvements that are observed during the contract period which exceed current expectations. There is a minimum reduction of mortality that must occur in order for the Group to receive payment (referred to as the attachment point). There is also a limit beyond which no additional payment will be made by RGA (referred to as the detachment point). As a result, the maximum payoff at contract maturity is EUR 450 million for the first transaction and EUR 350 million for the second transaction. At contract maturity, the value of the underlying portfolio is recalculated based on the actual mortality rate (based on an index) during the contract term and its impact on the future mortality rate (via a commutation mechanism of 80 years for the first and 72 years for the second). In case the value of the liability is above the attachment point, a payment from RGA is due. While these Longevity Derivatives cover the life insurance liabilities for the annuity and collective DB portfolios of DLL, this is only part of the Group's total longevity risk exposure, meaning that the Group's longevity risk is not entirely covered. With these contracts, approximately half of the current SF longevity risk capital is covered by the Longevity Derivatives and the Group maintains longevity buffers for longevity losses below the retention level of these contracts.

The longevity index derivatives are based on the Dutch population mortality instead of actual portfolio mortality. Although highly correlated, the hedge is not perfect. Extensive analysis has been performed to examine this demographic basis risk and results demonstrate that the Dutch population is highly correlated to the actual insured portfolio. This analysis will be performed on an annual basis. In addition, the current Longevity Derivatives do not protect against changes in methodology of future forecast tables and unexpected changes in future mortality rates that will arise after contract maturity. In its longevity risk management strategy, the Group has set out a policy to roll forward the current Longevity Derivatives at contract maturity to maintain its longevity risk protection in the future. See "*Risk Factors—Financial Risks—The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied.*"

The Group and RGA have stated their intention explicitly in a memorandum of understanding to rollover the existing transactions at the end of the contract period.

The Group has had extensive discussions with DNB regarding the impact of the Longevity Derivatives on the Group's Solvency II ratio (SF) following a challenge by DNB of the Group's proposed treatment of the impact of the Longevity Derivatives prior to the publication of its 2015 results. DNB confirmed that, subject to the conditions below, the Group may reflect a SCR reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) and a risk margin reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) in the Group's Solvency II ratio (SF) during 2016, so long as the Group satisfies the conditions outlined below, which the Group intends to seek to do. These effects are reflected in DLL's Solvency II ratio (SF) and the Group's Solvency II ratio (SF) as at 31 December 2015 (the solvency position of DLL has a significant effect on the solvency position of the Group).

Firstly, the Group has committed to DNB that it will exclude the risk-margin reduction based on the assumed ability of the Group to continuously renew the contracts for the full duration of the portfolio (the "roll-forward effect") from the calculation of DLL's Solvency II ratio (SF). The roll-forward effect comprises the expected benefits of future Longevity Derivatives. Excluding the roll-forward effect had a -14% points impact on the Group's Solvency II ratio (SF) as at 31 December 2015. It has further been discussed that prior to 31 July 2016, the Group must extend the duration of both Longevity Derivatives to beyond eight years, subject to agreeable terms with RGA, to be able to take into consideration the current roll-forward effect under the SF, although the Group must still continue to exclude any further roll-forward effect under the adjusted contracts as discussed with DNB.

Secondly, the Group has committed to DNB to use all possible efforts, in cooperation with RGA or another reinsurer, to adjust the terms and conditions of the Longevity Derivatives by 31 December 2016 to better align them with the principles of a re-insurance contract (for example, by adjusting the concept of index protection currently included to indemnity protection) under the Solvency II rules and regulations. This will allow the Group to continue to use the Longevity Derivatives to reduce the risk margin for the SF, as well as for a partial internal model. The Group's auditor and actuary will be asked to confirm the re-insurance classification under the Solvency II rules and regulations before 31 December 2016.

Thirdly, the Group has committed to DNB to implement a Solvency II compliant partial internal model by 1 January 2018. Any partial internal model will model at least the following five modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk. The SF single risk capital for longevity will in all cases be at least equal to or higher than the partial internal model single risk capital for longevity after allowing for the effect of the Longevity Derivatives. However, the timetable for the development and implementation of the partial internal model is dependent on the Group's regulators and therefore it is not entirely within its control, exposing it to the risk of delay. There can be no assurance that the Group will be successful in implementing a satisfactory partial internal model or that DNB will approve the Group's partial internal model before 1 January 2018. See "*Risk Factors—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

The Group could be subject to higher costs as a consequence of the renegotiation of the Longevity Derivatives or be unable to extend the duration or adjust the terms and conditions of the Longevity Derivatives on reasonable terms or at all. In addition, if the Group is not able to comply with the conditions outlined above within the timeframes discussed with DNB, it would need to exclude at least part of the effect of the Longevity Derivatives when determining DLL's (and accordingly the Group's) SCR and risk margin, and accordingly the Solvency II ratio (SF), which would in turn have a negative impact on the Group's Solvency II ratio (SF) resulting in a material adverse effect on the Group's business, solvency, results of operations and financial condition. Maintaining the risk margin benefit for a period up to 8 years is subject to a restructuring of the hedge to ensure reinsurance treatment—absent this there would be an adverse impact of 7%-points (current estimate) on the Group's Solvency II ratio (SF). If at any time it becomes clear that the Longevity Derivatives will not or cannot be changed to assure a classification as reinsurance under Solvency II, the risk margin reduction will immediately cease, thereby reducing the Group's Solvency II ratio (SF). Furthermore, the current SCR benefit is retained, subject to moving to a partial Internal Model before 1 January 2018.

See also "*Risk Factors—Financial Risks—If the Group's use of derivatives to protect itself against certain risks is inadequate or ineffective in limiting the Group's exposure, the Group's business, results of operations and financial condition may be materially adversely effected*".

Fubon

On 16 March 2016, Fubon and the Company signed the Fubon Heads of Agreement agreeing that pending discussions concerning an enhanced partnership should continue and detailing certain arrangements which are intended to form the basis for further discussion. Fubon is a subsidiary of Fubon Financial Holding Co., Ltd., a financial holding company that offers financial services in Taiwan, Hong Kong and China, including banking, insurance and asset management. Under the Fubon Heads of Agreement:

- Fubon committed to vote in favour of the Offering at the extraordinary general meeting and to exercise all Rights allocated to it in respect of its then current 7.13% shareholding in the Company, as well as in respect of any other Ordinary Shares acquired before the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights and will otherwise participate in the Offering on the same terms and conditions.

- The Company agreed, subject to all applicable legal and regulatory requirements, to use its reasonable best efforts to assist in the temporary transfer of any rights Fubon acquires to one or more of the Underwriters, or another mechanism acceptable under applicable laws, to allow Fubon to later increase its stake in the Company to 15% prior to Fubon's receipt of any necessary regulatory clearance, including a declaration of no objection from DNB and ECB.
- The Company agreed to nominate (through its Supervisory Board) one individual designated by Fubon to the Supervisory Board and recommend its Shareholders vote in favour of, and otherwise use reasonable best efforts to cause, the election of such Fubon designee to the Supervisory Board so long as Fubon maintains at least a 15% ownership position (on a fully diluted basis) in the Company, subject to (i) Fubon's nominee passing the suitability test (*geschiktheidstoets*) and reliability test (*betrouwbaarheidstoets*) of DNB and ECB and (ii) finalisation of the Company's mandatory employee consultation process.
- The Company agreed to take all action reasonably requested by Fubon to assist it to acquire Ordinary Shares in the market, subject to applicable securities law and regulation.
- If Fubon reaches a 15% ownership position (on a fully diluted basis), Fubon and the Company would promptly negotiate in good faith to enter into a relationship agreement on terms customary for other relationship agreements in the Dutch market, including customary standstill agreements (i.e. Fubon not increasing its shareholding above 20% without the prior written approval of the Company) and provisions relating to the exchange of information and Fubon's nomination rights described above.
- The Company agreed to take all actions as may be reasonably requested by Fubon in order for Fubon to obtain clearance, including a declaration of no objection, from DNB and the ECB to increase its ownership above 10% and to reasonably support Fubon in obtaining the necessary legal and regulatory approvals in its home jurisdiction.

In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share.

Having obtained the prior agreement in principle of the Joint Bookrunners, the Company agreed with Fubon in the Fubon Heads of Agreement to cause the Joint Bookrunners to include Fubon as a sub-underwriter in connection with the Offering. However, Fubon has confirmed to the Company and the Joint Bookrunners that it decided not to participate as a sub-underwriter and, for the avoidance of doubt, will not receive any fee from the Company or Underwriters in respect of the Offering.

Fubon and the Company also agreed to work collectively in good faith to implement the arrangements above.

Fubon and the Company have also agreed to explore opportunities for business co-operation for the benefit of both groups, for example asset management opportunities, reinsurance agreements and knowledge exchange. Any such arrangements will be on an arm's length basis.

SELECTED FINANCIAL INFORMATION

The summary financial information of the Group shown in the following tables includes:

- information extracted without material adjustment from the Group's audited consolidated financial statements as at and for the years ended 31 December 2015, 2014 and 2013 prepared in accordance with IFRS and audited by EY unless otherwise indicated;
- information with respect to the Group's Operational Result and the Group's Net Operational Result which are non-IFRS measures, together with a reconciliation of Operational Result and Net Operational Result to the Group's IFRS result before tax from continuing operations, for the years ended 31 December 2015, 2014 and 2013; and
- information with respect to the Group's NAPI for the life insurance business, COR for the general insurance business for the years ended 31 December 2015, 2014 and 2013 and cash remittance to the Company for the years ended 31 December 2015 and 2014.

Key Figures

	Year ended 31 December		
	2015	2014	2013[1]
	(EUR million, unless otherwise stated)		
GWP (IFRS)	4,038.3	3,963.3	4,757.5
NAPI[2]	431.7	418.1	431.1
Total income (IFRS)	6,074.6	13,876.9	5,951.0
Total expenses (IFRS)	5,924.2	13,408.7	5,706.2
Result before tax from continuing operations (IFRS)	150.4	468.2	244.8
COR[3]	96.2%	94.5%	97.7%

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(2) NAPI consists of new annual premiums and 10% of the new single premiums received during the period.

(3) COR is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.

Double Leverage

Double leverage in a non-IFRS measure that measures the extent to which subsidiaries' equity is financed with debt by the Company. Double leverage is calculated by dividing the equity value of the subsidiaries (comprised of shareholders' funds and perpetual subordinated intercompany debt from the Company) by the consolidated equity value of the Company (comprised of shareholders' funds and perpetual subordinated external debt of the Company).

A higher double leverage level indicates that a higher level of net (non-perpetual) debt is used by the Company to finance the subsidiaries.

The following table includes certain non-IFRS measures, which are unaudited (namely value businesses (shareholders' funds and subordinated debt) and double leverage).

	Year ended 31 December		
	2015	2014	2013
	(EUR million, unless otherwise stated)		
Group Capital	**3,704.5**	**3,761.0**	**3,068.0**
Shareholders' funds[1]	2,822.6	2,880.2	2,930.0
Perpetual subordinated convertible loan (FNO)[2]	138.0	138.0	138.0
Perpetual subordinated loan	743.8	742.8	—
Value businesses[3]	**3,724.9**	**4,144.4**	**3,425.5**
Shareholders' funds	3,139.9	3,664.4	3,424.5
Subordinated debt	585.0	480.0	—
Double leverage	**100.5%**	**110.2%**	**111.6%**

(1) Includes non-controlling interest and includes the reversal of provisions for sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.

(2) Includes preference shares A (EUR 2 million).

(3) Includes non-controlling interest.

Net Cash Position of the Company

The following table sets out the cash position of the Company for the periods indicated. This table is unaudited and consists of non-IFRS measures.

	Year ended 31 December		
	2015	2014	2013[(1)]
	(EUR million)		
Opening net cash position[(1)]	**-558.2**	**-436.0**	**-424.9**
Remittances from businesses	**155.4**	**234.2**	**604.1**
Capital injection	**0.0**	**-387.1**	**-25.4**
Corporate and other activities	**564.5**	**742.9**	**63.0**
Businesses sold	227.7	0.0	0.0
Borrowings/Issue of ordinary shares	336.9	742.9	63.0
Company expenditure	**-480.3**	**-712.1**	**-652.8**
Company finance costs	-69.7	-36.9	-38.2
Company costs[(2)]	-70.1	-91.3	-59.2
Intercompany loans (net)	-45.1	-470.7	-531.8
Other[(3)]	-182.5	-47.6	44.5
Cash dividend pay-out	-113.0	-65.6	-68.1
Ending net cash position	**-318.6**	**-558.2**	**-436.0**

(1) Positive or negative new cash balance of the Company (i.e., includes cash less current debt outstanding (debt due within the next 12 months).

(2) Gross cash figure including non-operational items.

(3) Working capital balances with business (net), equity investments, tax and other movements.

Selected Consolidated Statement of Financial Position

	IFRS		
	As at 31 December		
	2015	2014	2013[(1)]
	(EUR million)		
Total assets	73,468.2	87,923.8	80,304.5
Insurance liabilities	45,789.9	45,662.4	44,340.7
Liabilities for investment contracts	6,304.5	6,154.3	4,817.0
Borrowings	4,316.2	5,322.9	5,328.4
Shareholders' funds[(2)]	2,568.9	2,468.4	2,620.6
Tangible shareholders' funds[(3)]	2,240.4	2,108.9	2,275.6

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(2) Shareholders' funds represents total capital and reserves and takes into account the Group's 51% stake in Delta Lloyd ABN AMRO Verzekeringen.

(3) Tangible shareholders' funds is unaudited and a non-IFRS measure. It is calculated as the difference between shareholders' funds and intangible assets (i.e. goodwill) and also takes into account the Group's 51% stake in Delta Lloyd ABN AMRO Verzekeringen.

Selected Consolidated Income Statement Data

	IFRS result after tax and non-controlling interest		
	Year ended 31 December		
	2015	2014	2013[(1)]
	(EUR million, unless otherwise stated)		
Life insurance	190.0	482.0	163.9
General insurance	52.7	56.2	39.8
Asset management[(3)]	34.6	22.7	40.0
Banking	48.7	43.2	-13.8
Corporate and other activities[(4)]	-197.9	-242.8	-46.5
Total	**128.1**	**361.1**	**183.3**

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".
(2) The figures for the years ended 31 December 2015 and 2014 for the asset management business segment have been adjusted following the segment reclassification of Delta Lloyd Treasury from the asset management segment to the corporate and other activities segment.
(3) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business segment), together with any consolidation and elimination items. Corporate and other activities also includes gains from the sale of CZ during the year ended 31 December 2015.

Capital Position

The table below shows the capital position of the Group at 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013
		(EUR million)	
Equity			
Shareholders' funds after non-controlling interests	2,569	2,468	2,621
-of which 'hard' capital (tangible assets)	2,240.4	2,109	2,276
Solvency			
Solvency II ratio (SF)(2)	131%(1)	n.a.(2)	n.a.(2)

(1) The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.
(2) The Solvency II framework was not effective during 2014 and 2013, therefore, the Company has not publically reported these items for these periods. As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%. The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the EIOPA in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

The phased-in CET1 ratio of Delta Lloyd Bank Netherlands was 12.4% as at 31 December 2015, compared to 13.6% as at 31 December 2014. The CET1 ratio has been calculated and presented in accordance with the Basel framework that was most recently translated into a directive (2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, CRR), together referred to as the CRD IV framework. The CRD IV directive was implemented in Dutch law with effect from August 2014 and under this framework, Delta Lloyd Bank Netherlands is required to maintain minimum solvency and liquidity ratios, including a minimum total capital ratio. The CRR has been directly applicable since 1 January 2014, and has resulted in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements in relation to solvency supervision and liquidity supervision. An annual SREP by DNB is part of this new framework. Capital requirements are, amongst other requirements, based on this SREP. At the date of this Prospectus, Delta Lloyd Bank Netherlands is still awaiting the final SREP 2015 decision from DNB, after having received a preliminary SREP 2015 decision on 14 January 2016. Delta Lloyd Bank Netherlands is currently corresponding with DNB in this regard. Prior to 1 January 2014, the Basel II regulations applied. Delta Lloyd Bank Netherlands' BIS ratio was 19.6% as at 31 December 2013.

Operational Result and Net Operational Result

Operational Result and Net Operational Result are derived from the audited consolidated financial statements but are not measures of financial performance under IFRS and should be considered in conjunction with the Group's IFRS results. The Group's net IFRS result is inherently volatile, principally as a result of the application of mark-to-market accounting since 2006. Given this volatility, net IFRS result is not viewed by the Group's management as an effective sole measure by which it can judge the operational performance of the Group.

Operational Result and Net Operational Result were developed as measures to capture the 'underlying' profitability of the Group. Until 2014, Operational Result and Net Operational Result included actual and presumed long-term investment returns, in addition to the operational technical result (the IFRS underwriting result, excluding non-operational items, which reflect one-off circumstances or are otherwise, in the judgement of management, not attributable to the ongoing business operations of the Group). Long-term investment returns ("LTIR") for purposes of Operational Result and Net Operational Result were determined by utilising the last known interest rate (based on the 10-year point on the Collateralised AAA curve). The 'assumed interest rate' by means of this long-term investment return is not in line with the short-term investment returns recorded in the IFRS profits and losses of the Group. The Group therefore decided to reassess its definitions of Operational Result and Net Operational Result in 2014. After reassessing the Operational Result formula (and specifically the presumed long-term investment return), the Group replaced the long-term investment return with an investment spread ("investment spread" or "InvSp") (defined as the direct yield minus the cost of liabilities). The long-term investment return understated the actual 'locked-in' direct yield of stable long duration own risk assets. Direct yield is derived from the IFRS result, comprised of dividend income, real estate income, and interest income on fixed income and mortgages. Cost of liabilities includes the required interest on own risk life and general insurance liabilities and finance costs. The required interest on own risk life insurance liabilities is measured per period and can be calculated by multiplying the opening balance of the life insurance liabilities of each period by the 13-year point on the Collateralised AAA curve, which is used as a proxy for the average duration of the life insurance liabilities.

The Prospectus presents Operational Result and Net Operational Result for the year ended 31 December 2015 using the investment spread method, Operational Result and Net Operational Result for the year ended 31 December 2014 using each of the investment spread method, denoted as 2014 (InvSp) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2015), and the LTIR method, denoted as 2014 (LTIR) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2013), and Operational Result and Net Operational Result for the year ended 31 December 2013 using the LTIR method. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement. For further information on the change to investment spread from LTIR, see the redefinition of operational result 2014 table in note 4.1.7.3 '*Segment Information*' included in the financial statements for the year ended 31 December 2015 incorporated by reference herein.

The current definitions of Operational Result and Net Operational Result include a number of elements that are not capital generative from a Solvency II standpoint. Accordingly, the Group has decided to introduce later in 2016 a new definition of Operational Result that is more aligned with Solvency II.

The new definition of Operational Result (InvSp) excludes the prospective elements (i.e. LAT changes in Belgium), which aids year-on-year comparison.

In line with the completed sales of the insurance activities in Germany and the banking activities in Belgium, these entities have been excluded from the Operational Result definition and the 31 December 2015 and 2014 (InvSp) figures have been adjusted accordingly.

The table below shows a breakdown of how the Group calculates Operational Result and Net Operational Result for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December			
	2015	2014 (InvSp)(1)(6)	2014 (LTIR)(1)	2013
	(EUR million)			
Life insurance	83.5	49.7	97.1	149.0
General insurance	65.0	90.6	90.6	42.1
Asset management	56.9	26.6	34.1	58.4
Banking	55.5	16.1	31.5	21.3
Corporate and other activities(2)	-31.1	7.6	1.6	-16.7
Operational technical result(3)	**229.7**	**190.7**	**255.0**	**254.1**
Investment spread(4)	710.6	427.7	286.0	360.0
Operational Result	**940.3**	**618.4**	**541.1**	**614.1**
Illustrative tax(5)	-235.1	-154.6	-135.3	-153.5
Minority interest	-27.2	-30.2	-29.0	-34.5
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business segment), together with any consolidation and elimination items. Corporate and other activities also includes gains from the sale of CZ during the year ended 31 December 2015.

(3) Operational technical results for the years ended 31 December 2014 (LTIR) and 2013 are the reported figures included in the 2014 annual reports of the Group and are calculated on a basis different from that used for the years ended 31 December 2014(InvSp) and 2015. LAT changes (i.e. a test performed to ensure total insurance liabilities are sufficient) of Delta Lloyd Life Belgium are excluded for the year ended 31 December 2015 and 2014 (InvSp), to reduce volatility within the result.

(4) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement.

(5) Represents taxation over the period using the statutory corporate tax rate of the Netherlands (25%) for all business units.

(6) The comparative 31 December 2014 figures have been adjusted for the asset management and corporate and other activities business segments following the segment reclassification of Delta Lloyd Treasury from the asset management business segment to the corporate and other activities business segment.

Reconciliation of Operational Result to IFRS Result Before Tax

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the investment spread method.

	Year ended 31 December			
	2015	2014 (InvSp)[1]	2014 (LTIR)[1]	2013
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result	**940.3**	**618.4**	**541.1**	**614.1**
Long-term investment return	N/A	N/A	-286.0	-360.0
Movement of assets[2]	-1,022.1	6,439.1	7,943.3	-76.8
Movement of liabilities	380.6	-6,457.3	-7,191.8	50.3
Provisions for onerous contracts	-162.1	-134.0	-134.0	0.0
Other	13.7	1.9	-404.3	17.2
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Movement of assets is made up of the spread of the Collateralised AAA bond curve versus DNB swap curve, income statement impact on own pension assets, income statement impact of credit spread, income statement impact on interest, cost of the UFR (the pre-tax difference between the assumed cost of liabilities based on the 13 year spot rate for the operational result and the actual benefit from the UFR calculated for all durations under IFRS) and other items (equity result, pull-to-par assets and other effects).

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the long-term investment return method.

	Year Ended 31 December			
	2015	2014 (InvSp)[1]	2014 (LTIR)[1]	2013[2]
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result[3]	**940.3**	**618.4**	**541.1**	**614.1**
- Long-term investment return	N/A	N/A	-286.0	-360.0
+/- Fair value adjustments liabilities[4]	68.5	-6,398.5	-6,398.5	725.2
+/- Actual return after profit sharing/interest accrual[5]	-527.0	6,310.8	6,674.0	-600.4
+/- Non-operational items	-331.4	-62.4	-62.4	-134.1
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Results for the year ended 31 December 2014 (LTIR) Operational Result and Net and Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".
(3) In reconciling Operational Result to result before tax, the Group subtracts the long-term investment return from Operational Result, replacing it with the actual return made on the investment portfolio after profit sharing and interest accrual in respect of liabilities. These numbers may vary significantly as IFRS investment volatility is included in, and available-for-sale statement of financial position movements are excluded from, this number. Fair value adjustments to insurance liabilities as a result of the changes in the interest curve used for the valuation of these liabilities is excluded as are certain incidentals and expenses not included in the technical result.
(4) Represents movement in liabilities as a result of changes in the Collateralised AAA bond curve for the years ended 31 December 2015, 2014 and 2013.
(5) Represents actual results of the Group's investment portfolio in the period, that is, the sum of (a) the Group's actual investment income, (b) share of profit or loss after tax of associates and (c) other income less the sum of (x) finance expenses and (y) change in insurance liabilities attributable to interest accrual and profit sharing.

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the Group's financial condition and results of operations at and for the years ended 31 December 2015, 2014 and 2013 and the material factors that have affected or that may affect the Group's ongoing and future operations.

The discussion of the Group's financial condition and results of operations is based on the 2015 Financial Statements, the 2014 Financial Statements and the Restated 2013 Financial Information prepared in accordance with IFRS and audited by EY unless otherwise indicated. See "Important Information—Presentation of Financial and Other Information".

Some of the information contained in this section, including information with respect to the Group's plans and strategies for its business and expected sources of funding, contain forward-looking statements that involve risk and uncertainties. Investors should read "Important Information—Forward-Looking Statements" for a discussion of the risks and uncertainties relating to those statements and should also read "Risk Factors" for a discussion of certain factors that may affect the Group's business, results of operations or financial condition.

Summary of the Business

Introduction

The Group is a financial services provider offering life insurance, pensions, general insurance, asset management and banking products and services within its target markets of the Netherlands and Belgium.

The Group employs a multi-brand, multi-channel strategy in both the Netherlands and Belgium in order to position itself across different distribution channels and customer segments. The primary differences across the Group's four principal Dutch insurance brands, namely Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA, result from the positioning, pricing, marketing and distribution of their respective products.

Business Segments

The following are the Group's four core business segments, each of which is also a reporting segment in the Group's financial statements:

Life Insurance: The Group offers a range of products from simple insurance products to bespoke and often more sophisticated individual and group life insurance products, as well as basic savings and financial planning services through its multiple brands. Its core life insurance products include pension (in particular group life) products and administration services for group customers as well as traditional and unit-linked life insurance and savings products for individual customers. The Group offers individual and group life insurance in the Netherlands principally under the Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA brands, utilising different customer and pricing strategies through independent intermediaries, which include independent financial advisers, authorised agents (*volmacht agenten*, with respect to general insurance), actuarial consulting firms (with respect to group life insurance) and brokers (*beurs*) (together, "Intermediaries"), via a joint venture (ABN AMRO Levensverzekering) between the Group and ABN AMRO Bank N.V. (the Group's dedicated label for Bancassurance (as defined below)) and direct (OHRA) distribution channels. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes (second pillar) since 2011. BeFrank is a PPI, which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. In Belgium, the Group sells individual and group life insurance primarily under the Delta Lloyd brand, with products distributed through brokers, banks and specialised employee benefits consultants. Life insurance generated EUR 2,683.7 million and EUR 2,626.6 million in GWP in the years ended 31 December 2015 and 31 December 2014, respectively.

General Insurance: The Group offers a broad range of general insurance products, principally in the Netherlands, including motor, fire, liability, income and absenteeism and marine/pleasure craft insurance policies. The Group's general insurance products are distributed to both private and commercial customers in the Netherlands under the Group's three principal brands using distribution channels similar to those used for its life insurance operations. The Group also acts as a distributor of certain health insurance products underwritten by CZ (*Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep*, and *Onderlinge Waarborgmaatschappij CZ Groep Aanvullende Verzekering Zorgverzekeraar*), which are priced by the Group and sold under the Delta Lloyd and OHRA brands, for which the Group receives fees and commissions. General insurance generated EUR 1,354.7 million and EUR 1,336.7 million in GWP in the years ended 31 December 2015 and 2014, respectively.

Asset Management: The Group invests the Group's own risk assets and policyholder assets, provides investment management services to institutional pension fund mandates and manages a range of retail investment products, including investment funds. The asset management segment comprises the activities of DLAM. The Group's product offering includes a range of third-party investor funds for institutional and retail customers and discretionary mandates for institutional customers. In addition, it manages real estate funds on behalf of the Group and third-party investors.

Delta Lloyd Asset Management manages certain assets on behalf of the Group's life insurance and banking business segments and has an advisory role in respect of other assets. Institutional fund sales take place primarily through the segments' dedicated sales force. For sales to retail investors, Delta Lloyd Asset Management generally relies on third-party banks in the Netherlands and Belgium, although a small portion of retail fund sales (unit-linked insurance) are distributed through the Group's own distribution channels. In the Netherlands, funds are distributed largely by Dutch retail banks, including ABN AMRO Bank N.V., Coöperatieve Rabobank U.A. (Rabobank) and ING Bank N.V.

The assets under management were EUR 59.4 billion at 31 December 2015, of which EUR 23.8 billion were managed for third parties. At 31 December 2014, assets under management were EUR 72.1 billion, of which EUR 29.6 billion were managed for third parties.

Banking: The Group offers a limited range of banking products and services in the Netherlands. Products include mortgage loans, bank annuities, savings products and fund investments. These products are primarily distributed through Intermediaries. The Group's banking business is conducted through Delta Lloyd Bank Netherlands. The Group's banking business also provides mortgage services, mainly to other Group entities. The banking segment's CET1 ratio was 12.4% as at 31 December 2015. A "phased-in" ratio takes into account only those regulatory requirements as and when they become applicable (and not those known requirements that will become applicable in the future).

In the Netherlands, the Group originates mortgage loans through Amstelhuys. Amstelhuys is a wholly-owned subsidiary of the Company, which is accounted for within the Group's corporate and other activities business segment and not within the banking business segment. The Group's banking business services the mortgages underwritten by Amstelhuys in return for a fee.

The total mortgage loan portfolio of the Group at 31 December 2015 was EUR 13.3 billion, compared to EUR 16.7 billion (including mortgages at Delta Lloyd Bank Belgium and Germany) at 31 December 2014. For further detail on the Group's mortgage loan portfolio, including a breakdown of this portfolio, see "*Business—Banking*"

Multi-brand and Multi-channel

The Group's four principal brands in the Netherlands are Delta Lloyd, BeFrank, ABN AMRO Insurance and OHRA.

Through the Delta Lloyd brand, the Group primarily targets retail and commercial customers in the middle to premium range of the life and general insurance markets while distributing primarily through Intermediaries.

Through the ABN AMRO Insurance brand, the Group has a dedicated label for Bancassurance. ABN AMRO Insurance primarily targets individuals, but also services a substantial group and commercial customer base, in the middle range of the life and general insurance markets, leveraging the distribution network of ABN AMRO, which includes bank branches, call centres, internet and mobile banking. The Group has had a joint venture with ABN AMRO Bank N.V. since 2003.

Through the OHRA brand, the Group offers term life, general and health insurance products. These products are distributed primarily through direct distribution channels (including distribution through internet and mobile platforms). The Group plans to phase out the OHRA brand in relation to banking products and new business life, with the exception of term life, and instead utilise the Delta Lloyd brand. This is expected to take place during the course of 2016.

BeFrank is a PPI, which is a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a relatively low cost. Through BeFrank, Delta Lloyd has been offering group defined contribution pension schemes since 2011.

In Belgium, the Group distributes its insurance products through brokers, bank channels and specialised employee benefits consultants.

The Group's banking business segment products are primarily distributed under the Delta Lloyd brand.

The Group has extensive distribution networks and large customer bases in the Netherlands and Belgium, which the Company believes provides it with a platform for continued growth in mature markets.

Recent Developments Affecting Results of Operations

On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to the Chinese insurance company Anbang. The distribution agreement between Delta Lloyd Life Belgium and Delta Lloyd Bank Belgium was transferred to Anbang as part of the transaction. As a result of further negotiations between the Group and Anbang, the final transaction price at closing amounted to EUR 206 million, which is less than the initially disclosed EUR 219 million. The sale of the Group's banking activities in Belgium is in line with the Group's strategy to strengthen the Group's focus on insurance and selected banking products.

In 2010, the Group's German life business stopped selling new business and has since been in run-off. On 1 October 2015, the Group announced the successful completion of the sale of 100% of the shares in Delta Lloyd Deutschland to Athene. The sale supported the Group's strategic focus on its core markets in the Netherlands and Belgium.

The table below shows the composition of the assets and liabilities of Delta Lloyd Deutschland and Delta Lloyd Life Belgium at 31 December 2015, 2014 and 2013.

Assets and liabilities relating to assets held for sale

	As at 31 December		
	2015	**2014**	**2013**(1)
		(EUR million)	
Assets held for sale			
Delta Lloyd Deutschland	—	5,225.5	0.6
Delta Lloyd Bank Belgium	—	6,925.5	6,724.5
Equity securities	29.2	—	—
Total assets held for sale	**29.2**	**12,151.0**	**6,725.1**
Liabilities held for sale			
Delta Lloyd Deutschland	—	5,044.3	—
Delta Lloyd Bank Belgium	—	6,572.5	6,435.9
Total liabilities held for sale	**—**	**11,616.8**	**6,435.9**

See "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" for a discussion of the impact of these sales on the consolidated and segment results of the Group.

Capital Plan and Solvency II

Despite the Group's strong commercial and operational performance, its business model is not sufficiently optimised for Solvency II. The development of the new Solvency II regulatory framework has been a long and complex process. In order to optimise the balance sheet in anticipation of Solvency II, the Group made changes to the business mix several years ago, for instance by shifting the focus of its life insurance new business from defined benefit pension schemes to the capital light defined contribution pension schemes. In 2015, the Executive Board decided to accelerate the shift towards relatively lower risk, less volatile products and move the investment portfolio towards higher Solvency II risk-adjusted returns. However, the legacy of the Group's existing defined benefit pension schemes still impacts its capital position and the provisions associated with the defined benefit back-book will only be released over the long term.

On 30 November 2015, the Group announced the Capital Plan, designed to ensure the Group is strongly positioned in the new era of Solvency II. After executing its Capital Plan, the Group believes it will be appropriately capitalised to implement its strategy and operate in the new Solvency II environment.

The Capital Plan focuses on aligning the Group's strategy and its capital requirements in order to enable it to operate successfully in a Solvency II environment. The intention of the Capital Plan is to build on the Group's strong franchise and track record of commercial and operational strength by implementing management actions and capital measures to support the Group's Solvency II position in order to allow it to focus on capital generation and the payment of cash dividends.

As a result of volatility in the results produced by its internal model, the Group decided in 2015 to adopt the Solvency II SF to determine its capital requirements. The Group has established a Solvency II target range (SF) of 140 to 180% taking into account, among other factors, the impact of market stresses, rating considerations, uncertainties regarding Solvency II and a peer comparison.

Based on its completed management actions (see Completed Actions below), and assuming the completion of the Offering, the Group expects to reach a solvency position it believes will allow the Group to cope with market volatility, absorb reasonable stress scenarios and the remaining material regulatory uncertainties (principally, any change to the UFR), and give it a strong foundation from which to execute its strategy and deliver customer-focused, profitable and capital-generative new business.

As part of the Capital Plan, the Group has completed a number of management actions, including in the fourth quarter of 2015, and plans to take further actions, including in 2016, in the future across its business segments in order to further improve capital generation and efficiency and its ability to pay cash dividends. The Group has recently clarified with DNB a number of important Solvency II interpretive questions regarding the calculation of its Solvency II ratio (SF), including the extent to which it may reflect the LAC DT and the Longevity Derivatives when calculating its Solvency II ratio (SF) and the conditions for doing so, although other material regulatory uncertainties still exist (principally, any change to the UFR). The Group's ability to recognise LAC DT is subject to completion of the Offering and the continued availability of certain credit facilities. Maintaining the solvency benefit of the Longevity Derivatives requires various conditions to be satisfied, including restructuring the Longevity Derivatives to ensure they are treated as reinsurance contracts. Absent this restructuring, there would be a further adverse impact of 7% points on the Group's Solvency II ratio (SF).

Completed Actions:

- Two longevity hedge transactions entered into during 2014 and 2015, respectively;
- Equity offering of 19.9 million new Ordinary Shares via an accelerated book build, which raised gross proceeds of EUR 337 million, in March 2015;
- Disposal of certain of its non-core activities, including Delta Lloyd Bank Belgium and Delta Lloyd Life Deutschland;
- Restructuring of the EUR 404 million[27] subordinated loan from Fonds NutsOhra to facilitate Solvency II grandfathering for a period of three years;
- The Revised Mandate;
- Unwinding of a securitisation vehicle;
- Reallocation of mortgage portfolios to the Group's Belgian life business;
- Sale of office investment portfolio to First Sponsor Group for EUR 226 million on 13 November 2015; and
- Sale of entire retail portfolio to EPISO 4 for EUR 273 million, which closed at the end of December 2015.

The management actions completed since the announcement of the Capital Plan on 30 November 2015 (the Revised Mandate, the unwinding of a securitisation vehicle and the sale of the commercial real estate portfolio) resulted in a 7% point increase reflected in the Group's Solvency II ratio (SF) as at 31 December 2015.

Actions Planned for 2016:

- The Company plans to sell its 30% stake in Van Lanschot via a marketed share offering, subject to market conditions.[28] Van Lanschot has agreed to cooperate in preparations for the sale. Assuming a

[27] Notional amount of subordinated loan at 31 December 2015.

[28] The Group's 30% interest in Van Lanschot (unchanged from 31 December 2014) was valued at EUR 263 million based on a share price of EUR 21.23 per share at 31 December 2015. During the period between 1 January 2015 and 21 March 2016, the trading price of Van Lanschot's shares on Euronext Amsterdam reached a high of EUR 25.70 per share and a low of EUR 16.66 per share.

sale at the trading price of Van Lanschot's shares on Euronext Amsterdam on 31 December 2015, the sale of the Van Lanschot stake is estimated to deliver an approximate 8% point increase in the Group's Solvency II ratio (SF); and

- The Group plans to implement further asset-liability management and other actions by year-end 2016, which are currently estimated to deliver an approximate 10 to 15% point increase in the Group's Solvency II ratio (SF), including:
  - Reducing currency risk, equity risk and credit risk exposure to enhance resilience and reduce the SCR;
  - Modelling enhancement in the Group's life business in Belgium and its treasury function at the Company level;
  - Extending the duration of the Longevity Derivatives and to assess the restructuring of them to be reinsurance contracts in order to meet the commitments made during the Group's discussions with DNB; and
- The Group has committed to implement a group liquidity plan to support DLL and Delta Lloyd Schadeverzekering in a severe stress event that results in the solvency ratios falling below the minimum capital requirement ("MCR") compliance levels. In such an event, the Group must be able to provide DLL and Delta Lloyd Schadeverzekering with sufficient capital injections to meet the MCR for LAC DT to be recognised. The Offering forms part of these LAC DT recovery plans. The relevant arrangements are expected to be implemented in three phases over the coming months.
  - **Phase 1:** Immediately following the Offering, short term reliance on Group liquidity sources and existing credit lines.
  - **Phase 2:** Move in the short to medium term to extend the credit lines available to the Group (up to EUR 700 million), reducing the need for Group funds to be specifically earmarked for DLL and Delta Lloyd Schadeverzekering.
  - **Phase 3:** In the medium term, reduce reliance on Group liquidity lines by raising funds internally to meet MCR. Phase 3 incorporates plans for contingent capital reinsurance, SCR reduction through hedging strategies and debt restructuring.

Ongoing:

- The Group has committed to DNB to further improve the partial internal model and implement it by 1 January 2018. Any partial internal model will model at least the following modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk.
- Acceleration of shift towards capital light products, for example:
  - Group life insurance is focused on defined contribution products and PPI;
  - The Group has moved away from guaranteed products in Belgium and towards unit-linked and protection products;
  - The Group has a strong focus on new business profitability, particularly through optimal pricing;
  - The Group is seeking to grow and diversify its general insurance and asset management businesses.
- The Group is focused on cost discipline and operational cost reduction and is targeting a reduction in operational expenses to less than EUR 610 million in 2016 reflecting a balance between cost savings and important reinvestment (for example in digitalisation) and a further reduction of operational expenses to less than EUR 560 million in 2018. The reduction of legacy IT, straight through processing, digitalisation and online services is expected to contribute to achieving these targets. Managing the Group's back-book in the most efficient way possible is also part of this focus on cost discipline. The Group is seeking a back-book cost reduction target in 2016 of 10% (within the overall target above).
- The Group remains actively focused on identifying further capital enhancing management actions for future implementation.

The Group's Solvency II ratio (SF) was 131% as of 31 December 2015, which reflects the impact of the completed management actions.[29] As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%.[30] The net decrease of 5% points reflects a positive contribution from the completed management actions in the fourth quarter (+7% points, principally arising from the Revised Mandates), exclusion of Delta Lloyd Bank Netherlands and Van Lanschot from the Solvency II ratio calculation as required by DNB (+2% points) and other changes (+2% points), which were more than offset by the treatment of the Longevity Derivatives for Solvency II purposes discussed with DNB (-14% points) and the resolution of the extent to which LAC DT may be reflected in the Group's Solvency II ratio (-2% points).

The Solvency II ratio (SF) as at 31 December 2015 includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

Pro forma for the receipt of the gross proceeds of the Offering, the Company estimates that its Solvency II ratio (SF) would have been 156% as of 31 December 2015.

As part of the Capital Plan, the Group has established a target run-rate Solvency II Net Capital Generation of EUR 200-250 million per year, and aims to deliver a stable annual dividend to the shareholders.[31]

While the Group currently uses the more prescriptive SF to determine its Solvency II capital requirements, the Group continues to update and test its partial internal model, and it intends to implement the partial internal model by 1 January 2018, which it has committed to DNB.

Key initiatives being taken across business segments to improve capital generation as part of the Capital Plan

Life Insurance: The three key initiatives being taken in the life insurance business segment are to increase focus on capital light products, leverage the Group's distribution strength and gain capital and cost efficiencies.

- The Group's life insurance strategy has been to shift to capital light products via new business focus on defined contribution pension schemes (rather than defined benefit pension schemes) PPI and APF in the Netherlands. The Group captured 54.2% of the defined contribution pension schemes new business market share in the first half of 2015, while at the same time generating limited new defined benefit pension scheme business. (*source: CVS*) The life insurance business segment's New Business Margin decreased to 1.5% in the year ended 31 December 2015, compared to 3.0% in the year ended 31 December 2014. The decrease was due to the low interest environment and extensions of existing

[29] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

[30] The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the EIOPA in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

[31] Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.

contracts. In 2015, New Business Margin was 4.2% on individual life products, 4.0% on Group defined contribution products and negative 2.4% on Group defined benefit products. For more information on NBM, see *"Business—Strengths—Leading market positions and growth in select target markets—Market position in the Netherlands"*. NAPI rose to EUR 432 million in the year ended 31 December 2015, of which EUR 235 million originated from new defined contribution contracts, EUR 103 million from defined benefit contracts and EUR 93 million from new individual life contracts. This compares to NAPI of EUR 418 million for the year ended 31 December 2014, of which EUR 205 million originated from new defined contribution contracts, EUR 131 million from defined benefit contracts and EUR 83 million from new individual life contracts.

- One of the Group's key initiatives has been to leverage its distribution strength to increase sales of its products by focusing on its network of Intermediaries. One of the Group's strengths is its relationship with its Intermediaries, which has created a broad and effective distribution network. In 2015, the Group scored highly on customer satisfaction and for the fourth consecutive year it was rated the number one pensions provider in the Netherlands by intermediaries and financial advisors (*source: IG&H*). Insurance consultants also rate the Group's account management and back office as the best in the market and its products for being innovative and well-priced.
- Finally, generating capital and cost efficiencies has been a key initiative of the life insurance business segment. The life insurance business segment is focused on capital efficiency and continued improvement in cost efficiency, with a back-book operational expense reduction target of 10% in 2016. To this end, the Group is continuing to move more of their life business online, both to streamline their processes internally and make it easier for customers to interact with the Group and take care of all their insurance needs, by bringing life and non-life products together in a single digital platform.

General Insurance: The general insurance business segment makes a solid contribution to Solvency II capital generation and offers diversification benefits in contrast to the Group's life business segment. The general insurance business segment is focused on improving capital generation by:

- maintaining an industry leading COR, driven by a focus on pricing, efficiency and claims management;
- focusing on the digitalisation and customer retention aspects of its retail offerings and on positioning itself in niche markets (such as wind mill and marine/pleasure craft insurance) on the commercial side, where the Group believes it will benefit from the economic recovery.
- The digitisation of the general insurance business segment is an ongoing priority and the Group is moving more and more of its business online. This focus on technology is a key component of the 'Closer to the customer' strategy and will help the Group save costs and improve customer satisfaction. To this end, the Group created a new Customer, Brand & Digital department that brings the Group's commercial and product divisions together in one central team to identify opportunities and speed up the time to market for new products; and
- focusing on building on its number one position in authorised agents' satisfaction and diversification.

Asset Management: Consistent with the Group's overall strategy, the asset management business segment is instrumental in terms of optimising the Group's balance sheet under the Solvency II regime (since Solvency II is a risk sensitive regime) and will be key to managing proprietary assets. The segment provides a solid stream of fee and commission income. The focus of the asset management segment is on selective third party and institutional funds, such as fixed income. See "*Business—Revised Strategy"*.

Banking: The banking business segment is focused on the efficient origination of mortgages with low LTV ratios and long fixed interest rate durations and on being a targeted producer of bank annuities on a selective basis.

Ongoing focus on capital generation and cash dividends

As part of the Capital Plan, the Company introduced an updated dividend policy in November 2015, which was a discussion item at the extraordinary general meeting on 16 March 2016. The Executive Board aims to deliver a stable annual dividend to Shareholders, subject to its ladder of intervention (see *"Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II"*) and the approval by the shareholder meeting. For 2016, the Group is targeting to make EUR 130 million available for the annual dividend. For more information on the Group's dividend policy, see "*Dividends and Dividend Policy*".

Going forward, the Group will focus on optimising capital and cash generation by aligning capital generation (including cash dividends) with its strategy. The Group believes its operating entities are well capitalised and it is the Group's intention to return surplus capital held by its subsidiaries to the Company. The Group will work to improve Net Capital Generation through a clear focus on capital efficiency and by continuing its focus on margins over volumes. For more information on Net Capital Generation, see "*Important Information—Presentation of Financial and Other Information—Non-IFRS Information*". The Group expects to continue to monitor the definition of Net Capital Generation in the future and to work to align it with Solvency II capital generation. Accordingly, the definition may change in the future. In addition, ongoing cost discipline will be important with the Group targeting operating expenses of EUR 610 million for the financial year ended 31 December 2016 (compared to EUR 620 million for the financial year ended 31 December 2015, which target was met as the Group's operational expenses amounted to EUR 619 million for that year) and EUR 560 million for the financial year ended 31 December 2018. For additional information, see "*—Key Factors Affecting Results of Operations—Efficiency and Cost Reduction Initiatives*". In conjunction with this, the Group will continue to maintain its strong cash capital position at the Company level in order to cover stress events, while maintaining the ability to deploy such capital within its operating companies should capital accretive opportunities arise. The Offering will significantly improve the Group's net cash position once completed.

The Group continues to focus on capital light products as part of its Capital Plan. Group life insurance has focused on defined contribution products and PPI, accounting for 54% of the defined contribution new business market share in the Netherlands in the first half of 2015. In contrast, group life insurance had very limited defined benefit new business in the first half of 2015 and has a lower appetite for direct annuities. The Group also has a strong focus on pricing, which has led to improved business margin. The New Business Margin for defined contribution contracts improved from 2.9% in the year ended 31 December 2014 to 4.0% in the year ended 31 December 2015. Finally, the Group has moved away from guaranteed products in Belgium and towards unit-linked and protection.

Following consummation of the Capital Plan and completion of the Offering which forms part of it, the Group expects to have a robust Solvency II ratio (SF) which together with its strong commercial and operational performance is expected to unlock the underlying Solvency II Net Capital Generation to support the updated dividend policy.

The operating subsidiaries of the Group have returned surplus capital to the Company in the past. In 2015, the operating subsidiaries remitted EUR 446 million to the Company while only incurring EUR 166 million in costs. After the operating companies send surplus capital upstream, the Company is able to manage this surplus capital to cover stress events, deploy to operating companies if capital accretive opportunities arise and pay dividends to shareholders. The capital position of the operating subsidiaries, along with other management actions, positions the Group to achieve its steady state target run-rate Solvency II Net Capital Generation of EUR 200-250 million.[32] The Group's targeted Solvency II Net Capital Generation run-rate results from a detailed bottom-up analysis which it performed in the second half of 2015. This target range provides the basis for realising the Group's potential in the coming years but it will continue to seek opportunities to outperform.

Key Factors Affecting Results of Operations

Drivers of Profitability in the Group's Life Insurance Business

The Group's life insurance business writes a range of insurance and investment contracts. Different products offer differing benefits and costs to policyholders, and the drivers of financial performance and the accounting treatment of such products vary. Long-term insurance products represent a significant portion of the Group's life insurance business.

[32] Net Capital Generation represents the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.

The primary driver of the Group's profitability with respect to long-term policies is the performance of the invested assets backing such policies, which comprise a significant portion of the Group's own risk portfolio. The profitability of a long-term policy depends fundamentally on the extent to which, over the life of the policy, the investment returns on own risk assets backing the policy and the premiums paid by the policyholder exceed the claims required to be paid to the policyholder and the Group's associated expenses and accounting impacts. These items comprise actual servicing costs as well as changes to liabilities resulting from changes in economic or operating assumptions from time to time. Thus, in addition to investment return, the profitability of long-term insurance products will depend on the extent to which the current and projected levels of claims and servicing costs differ from those assumed by the Group in pricing those products. The level of claims paid is affected by assumed and actual changes in longevity, which in turn will affect the overall profitability of the Group's long-term insurance products. See "*—Demographic Trends and Longevity.*"

Certain long-term life insurance products that are particularly significant for the Group have specific features that have important effects on profitability.

- *Products with guarantees*—Products that promise a guaranteed return to policyholders account for a significant portion of the Group's life insurance business. Products with guarantees accounted for approximately 50% of the Group's life insurance reserves at 31 December 2015. The Group sells two primary types of products with guarantees: annuity policies that guarantee specified payments over the life of the policyholder, but provide for no other returns; and policies (including both unit-linked and traditional policies) that guarantee a minimum level of return to the policyholder, but also provide for additional returns. In general, the profitability of products with guarantees will be affected to the extent that investment returns from own risk assets backing such policies do not exceed the guaranteed amounts due to the policyholder. Due to the prolonged low interest rate environment that has persisted in Europe since 2011 the majority of the policies with guaranteed amounts have been in the money for policyholders. See also"*—Low Interest Rate Environment".*

- *Group pension products*—Group pension insurance policies are policies under which the insurer receives premium payments in return for making regular payments towards the insured's pension liabilities. Such policies accounted for 61% of the Group's life insurance reserves at 31 December 2015. Single premium group pension policies, which require a single premium payment to be made at the start of the contract term, have been particularly important to the Group's insurance business.

  As a result of demographic change, new legislation and financial pressure, and the low interest rate environment, defined benefit pension schemes are under pressure and defined contribution pensions are becoming an increasingly attractive alternative. Companies are reconsidering their pension schemes and are looking for more affordable defined contribution alternatives which produce less volatile balance sheet results for the employer. The introduction of PPI for defined contribution pension plans has led to new entrants in the pension market, such as banks and investment managers. See also "*—Group Pension Insurance Policies*" below. In addition to focusing on defined contribution pensions, the Group is also focusing on annual premium insurance contracts, instead of single premium insurance contracts.

- *Unit-linked products*—Unit-linked products are policies under which the returns to policyholders are based on the performance of the linked assets in which the premiums paid by policyholders are invested. Some of the Group's unit-linked policies guarantee a minimum investment return or minimum accumulation at the end of the contract period (such policies accounted for 3% of the Group's life insurance reserves at 31 December 2015), while others do not (accounting for 25% of the Group's life insurance reserves at the same date).

  Movements in the value of policyholder risk assets backing unit-linked policies are matched by equivalent movements in the value of insurance liabilities. In general, the investment return on such assets has no impact on the Group's profitability. Instead, the Group generates profit on unit-linked policies in the form of annual management fees charged on the basis of the amount of assets backing such policies. Such management fees will vary directly with the market value of such assets. To the extent minimum return guarantees are provided for unit-linked policies, profitability will be adversely impacted to the extent investment income on assets backing such policies does not exceed the amount of any current or future payments the Group is required to make to achieve the level of guaranteed return.

- *Products with profit sharing*—The Group writes long-term life policies in the Netherlands that provide policyholders a guaranteed minimum return (approximately 3 to 4%) combined with "profit sharing" to the extent that a standard market index (known as "t or u-yield") exceeds a specified yield threshold. The profitability of these products therefore depends on the extent to which the actual investment return earned on the own risk assets backing the policy exceeds the contractual amounts allocable to the policyholder, as well as the extent of any excess investment return achieved on the own risk assets backing such policies.

- *Death benefit and disability products*—The Group writes life insurance products offering protection against certain events such as disability or death, typically in the form of guaranteed, fixed pay-outs. Although the performance of own risk assets backing such policies is a factor in their profitability, profit generation depends more fundamentally on the Group's ability to adequately assess the risk of a claim occurring—in particular, its ability to correctly project mortality and morbidity rates—as well as the ultimate amount of the claim. In this respect, these products are similar to some of the Group's general insurance lines and, like them, the profitability of death benefit and disability products is significantly affected by competitive factors which impact pricing, and by origination and service expenses.

Drivers of Profitability in the Group's General Insurance Business

In general insurance, underwriting profits are influenced by changes in premium rates, as well as trends in claims frequency and inflation. Profit in the Group's general insurance business segment is measured primarily through the COR, which compares the combination of net claims and benefits paid, change in insurance liabilities and acquisition and other operating expenses against the Group's net earned premiums from general insurance. A COR below 100% is indicative of an underwriting profit (without taking into account investment income). The Group's general insurance business segment had a COR of 96.2%, 94.5% and 97.7% for the years ended 31 December 2015, 2014 and 2013, respectively.

The general insurance industry has historically been characterised by cyclicality, due to a changing focus between market share growth and underwriting profitability among market participants. The timing and extent of this cyclicality varies by product, and is particularly acute in the motor and fire insurance product lines.

Overall, general insurance prices have been under pressure in recent years. This is in part a result of greater transparency in pricing, aided in particular by internet shopping and insurance price comparison sites. In addition, the general insurance industry has experienced growing turnover among customers as the ease of access to pricing information has improved and the term of general insurance policies has decreased. See "*Industry Overview—The Netherlands—Insurance Industry*".

The result of this pricing transparency and increased turnover has been lower prices and higher CORs in the general insurance industry, particularly with respect to simple general insurance products such as motor and fire, prompting the Group to focus on reducing costs in order to sustain the profitability of its general insurance operations. These trends are likely to continue, and the Group expects that going forward cost efficiency will remain an important determinant of profitability in its general insurance business.

Demographic Trends and Longevity

Demographic Trends. Demographic trends will affect the results of the Group's insurance operations insofar as they affect the universe of potential purchasers, and thus the demand for different types of insurance products. Studies suggest that over the next decade the proportion of the population of the Netherlands over the age of 65 will increase. This exposes the Group to certain risks but also presents the Group with distinct opportunities. As the over-65 population of the Netherlands grows in absolute numbers as well as relative to the working age population (*source: CBS)*, the Dutch state pension system will face increasing demands which it may not be able to meet. In the face of perceived increases in state pension risk, potential state pension beneficiaries are increasingly expected to seek tax efficient savings products and estate planning products from the private sector. In addition, demographic trends suggest that the population of the Netherlands will grow from 16.8 million in 2013 to 18.1 million in 2060 (*source: CBS*). Furthermore, it is expected that households in the Netherlands will be smaller on average than the average households currently are. These demographic changes are also expected to present the Group with distinct opportunities, including potentially higher demand in specific segments for new products, such as in the general insurance retail segment.

Longevity. At the same time, changing demographic trends may not be consistent with the Group's expectations. Like other commercial insurance companies, the Group has been particularly focused on changes in future expected levels of annuitant longevity. As part of its pension pricing and reserve policies, the Group assumes that longevity will continuously increase over time. Advances in medicine, better living conditions, health, nutrition and higher incomes are leading to increased life expectancy. This is a long-term trend that can potentially lead to payout levels far higher than the Group anticipates. The Group applies the most recent mortality rate prognoses and actively monitors trends to anticipate its exposure. New solvency regulations also require the Group to hold more capital to cover higher payouts to policyholders with a longer life expectancy. Longevity carries with it a high amount of required capital under the SF of Solvency II.

During the periods under review, to mitigate the longevity risk, the Group has taken a number of actions:

- When pricing policies and assessing risk the Group takes into account the expected decrease in mortality rates for the next 50 years;
- In August 2014 and June 2015 the Group entered into the Longevity Derivatives. These Longevity Derivatives will reduce the financial impact of policyholders living longer than currently expected during the term of the contract. In exchange for this protection a fixed premium is paid to RGA at contract maturity that is offset against any payments from RGA due under the Longevity Derivatives. See "*Business—Material Contracts—Longevity Derivatives*".
- Both transactions are structured as out-of-the-money derivatives whereby no payment from RGA will be received if current expectations, with respect to changes in mortality, are realised during the term of the contract. In other words, the Longevity Derivatives protect against mortality improvements that are observed during the contract period which exceed current expectations. There is a minimum reduction of mortality that must occur in order for the Group to receive payment (referred to as the attachment point). There is also a limit beyond which no additional payment will be made by RGA (referred to as the detachment point). As a result, the maximum payoff at contract maturity is EUR 450 million for the first transaction and EUR 350 million for the second transaction. At contract maturity, the value of the underlying portfolio is recalculated based on the actual mortality rate (based on an index) during the contract term and its impact on the future mortality rate (via a commutation mechanism of 80 years for the first and 72 years for the second). In case the value of the liability is above the attachment point, a payment from RGA is due. While these Longevity Derivatives cover the life insurance liabilities for the annuity and collective DB portfolios of DLL, this is only part of the Group's total longevity risk exposure, meaning that the Group's longevity risk is not entirely covered. With these contracts, approximately half of the current SF longevity risk capital is covered by the Longevity Derivatives and the Group maintains longevity buffers for longevity losses below the retention level of these contracts.
- The longevity index derivatives are based on the Dutch population mortality instead of actual portfolio mortality. Although highly correlated, the hedge is not perfect. Extensive analysis has been performed to examine this demographic basis risk and results demonstrate that the Dutch population is highly correlated to the actual insured portfolio. This analysis will be performed on an annual basis. In addition, the current Longevity Derivatives do not protect against changes in methodology of future forecast tables and unexpected changes in future mortality rates that will arise after contract maturity. In its longevity risk management strategy, the Group has set out a policy to roll forward the current Longevity Derivatives at contract maturity to maintain its longevity risk protection in the future. See "*Risk Factors—Financial Risks—The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied.*"; and
- The Group has analysed extensively life expectancy within its portfolio using a wide range of external data, mortality forecast models and reports to determine stringent provisions for this risk. The mortality table (AG 2014) published by the Dutch Society of Actuaries in September 2014 has now been fully implemented in all valuations and in the pricing of any new policies. With regard to the Longevity Derivatives, the value decreased because of the publication by CBS (Statistics Netherlands) in September 2015 of the realised mortality rates in 2014. The realised mortality rates were higher than expected and therefore the value of the derivatives decreased as the likelihood of an obligation for the counterparty to pay out on expiration date was reduced. The negative impact on the value of these derivatives in relation to these published mortality rates amounted to EUR 15.5 million.

Although such hedges mitigate a portion of the risk associated with longevity, they do not protect against all risks. In particular, the Group is exposed to the risk of changes in future mortality rates that will arise following the period covered by the derivatives. Furthermore, it is exposed to the risk of an increase in life expectancy up to the attachment point and beyond the detachment point contained in the Longevity Derivatives. Notwithstanding these hedging arrangements, the Group has set aside additional life insurance reserves due to longevity in the aggregate amount of EUR 815.8 million since 1 January 2012, including EUR 97.3 million for the year ended 31 December 2015. Should these provisions be insufficient, the Group's business could suffer significant losses that could have a material adverse effect on its business, results of operations, financial condition and prospects.

The Group has had extensive discussions with DNB regarding the impact of the Longevity Derivatives on the Group's Solvency II ratio (SF) following a challenge by DNB of the Group's proposed treatment of the impact of the Longevity Derivatives prior to the publication of its 2015 results. DNB confirmed that, subject to the conditions below, the Group may reflect a SCR reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) and a risk margin reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) in the Group's Solvency II ratio (SF) during 2016, so long as the Group satisfies the conditions outlined below, which the Group intends to seek to do. These effects are reflected in DLL's Solvency II ratio (SF) and the Group's Solvency II ratio (SF) as at 31 December 2015 (the solvency position of DLL has a significant effect on the solvency position of the Group).

Firstly, the Group has committed to DNB that it will exclude the risk-margin reduction based on the assumed ability of the Group to continuously renew the contracts for the full duration of the portfolio (the "roll-forward effect") from the calculation of DLL's Solvency II ratio (SF). The roll-forward effect comprises the expected benefits of future Longevity Derivatives. Excluding the roll-forward effect had a -14% points impact on the Group's Solvency II ratio (SF) as at 31 December 2015. It has further been discussed that prior to 31 July 2016, the Group must extend the duration of both Longevity Derivatives to beyond eight years, subject to agreeable terms with RGA, to be able to take into consideration the current roll-forward effect under the SF, although the Group must still continue to exclude any further roll-forward effect under the adjusted contracts as discussed with DNB.

Secondly, the Group has committed to DNB to use all possible efforts, in cooperation with RGA or another reinsurer, to adjust the terms and conditions of the Longevity Derivatives by 31 December 2016 to better align them with the principles of a re-insurance contract (for example, by adjusting the concept of index protection currently included to indemnity protection) under the Solvency II rules and regulations. This will allow the Group to continue to use the Longevity Derivatives to reduce the risk margin for the SF, as well as for a partial internal model. The Group's auditor and actuary will be asked to confirm the re-insurance classification under the Solvency II rules and regulations before 31 December 2016.

Thirdly, the Group has committed to DNB to implement a Solvency II compliant partial internal model by 1 January 2018. Any partial internal model will model at least the following five modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk. The SF single risk capital for longevity will in all cases be at least equal to or higher than the partial internal model single risk capital for longevity after allowing for the effect of the Longevity Derivatives. However, the timetable for the development and implementation of the partial internal model is dependent on the Group's regulators and therefore it is not entirely within its control, exposing it to the risk of delay. There can be no assurance that the Group will be successful in implementing a satisfactory partial internal model or that DNB will approve the Group's partial internal model before 1 January 2018. See "*Risk Factors—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

The Group could be subject to higher costs as a consequence of the renegotiation of the Longevity Derivatives or be unable to extend the duration or adjust the terms and conditions of the Longevity Derivatives on reasonable terms or at all. In addition, if the Group is not able to comply with the conditions outlined above within the timeframes discussed with DNB, it would need to exclude at least part of the effect of the Longevity Derivatives when determining DLL's (and accordingly the Group's) SCR and risk margin, and accordingly the Solvency II ratio (SF), which would in turn have a negative impact on the Group's Solvency II ratio (SF) resulting in a material adverse effect on the Group's business, solvency, results of operations and financial condition. Maintaining the risk margin benefit for a period up to 8 years is subject to a restructuring of the hedge to ensure reinsurance treatment. If the Group is unable to restructure the Longevity Derivatives, there would be a significant and adverse impact on the Group's Solvency II ratio (SF) (currently estimated at 7% points). If at any time it becomes clear that the Longevity Derivatives will not or cannot be changed to assure a classification as reinsurance under Solvency II, the risk margin reduction will immediately cease, thereby reducing the Group's Solvency II ratio (SF).

See also "*Risk Factors—Financial Risks—If the Group's use of derivatives to protect itself against certain risks is inadequate or ineffective in limiting the Group's exposure, the Group's business, results of operations and financial condition may be materially adversely effected*".

Fair Value of Assets and Liabilities and Solvency II and Risk Sensitivity

Fair value of assets and liabilities

The Group records and classifies the majority of its investment assets and insurance liabilities at fair market value. This approach enables management to apply risk management policies on an economic basis, thereby mitigating the effects of market movements on shareholders' funds.

Changes to the fair value of the Group's assets classified as other than trading are recorded in the income statement of the Group as investment income, whereas changes to the fair value of the Group's assets classified as available-for-sale are recorded in shareholders' funds unless the Group realises a gain or loss on the sale of such assets or if those assets are impaired, in which case the realised gain or loss or impairment is recorded in the income statement of the Group as investment income/loss.

Changes in the fair value of the Group's life insurance liabilities are recorded in the income statement of the Group as part of expenses. In case of unit-linked liabilities, the market value of the liabilities is based on the market value of the assets whose characteristics most closely resemble the characteristics of the liabilities. The Group's liabilities under life insurance policies that are not unit-linked most closely resemble assets that are not readily transferable and have minimal credit risk. An increase in the yield on these assets will result in a reduction in the value of the liabilities, as those liabilities are discounted to present value using a discount rate set equal to this yield. The fair value of the Group's pension liabilities are recorded directly in shareholders' funds, in line with accounting treatment under IAS19R. According to this treatment, both assets and liabilities are valued at fair value; therefore movements in interest rates impact both assets and liabilities such that the impact on liabilities is to a large extent offset by the impact on assets.

In the general insurance business segment, liabilities in respect of property and casualty policies are valued on an undiscounted basis. Market interest rate movements do not have an impact on the income statement for these liabilities. For disability insurance, since the fourth quarter of 2014, the entire liability is discounted based on market interest rates following a change in the Group's internal accounting policy. Prior to this change in accounting policy, a significant portion of disability insurance liabilities were valued based on fixed interest rates. Market interest rate movements will impact the income statement as disability insurance liabilities fluctuate.

Under the IFRS framework, the Collateralised AAA curve is used to determine the fair value of the majority of the life insurance provisions. The Collateralised AAA curve is defined as the higher of the DNB swap curve or the minimum cost replicating portfolio represented by the Collateralised AAA curve. The Collateralised AAA curve is constructed using the UFR, with the one-year forward rates for durations of 20 years upwards converging to a UFR of 4.2% over a period of 40 years.

The Dutch life insurance entities of the Group also use the Collateralised AAA curve as a basis for reporting under the Dutch Financial Supervision Act. The adequacy of the insurance liabilities is assessed on the basis of the DNB swap curve with UFR and deficits are added to insurance liabilities. The Group decided to switch from the ECB AAA curve to the DNB swap curve at the end of 2014 for DLL, because the Group considers that the interbank market has recovered and that the DNB swap curve is a better representation of the risk-free rate. In addition, the DNB swap curve is more in line with the Solvency II curve. DNB approved this change.

The Collateralised AAA curve consisted of 429 bonds at 31 December 2015 compared with 381 bonds at 31 December 2014 and 338 bonds at 31 December 2013. The 10-year point of the Collateralised AAA curve at 31 December 2015 was 1.09%, which represented an increase of 21 basis points compared to 31 December 2014, mainly due to a general increase in interest rates. The 10-year point of the Collateralised AAA curve at 31 December 2014 was 0.88%, which represented a decrease of 156 basis points compared to 31 December 2013, mainly due to a general decrease in interest rates. The Group still considers a UFR of 4.2% suitable for estimating market interest rates and for the valuation of its assets and insurance liabilities.

The EU has adopted a full scale revision of the solvency framework and prudential regime applicable to insurance, reinsurance companies and insurance groups known as Solvency II. The Solvency II interest rate sensitivity is different from that under IFRS, because all assets and liabilities are interest rate risk sensitive under Solvency II as they are valued at market value, which is not the case under IFRS. Moreover, Solvency II prescribes the use of a Solvency II curve, whereas for IFRS the Group uses the greater of the DNB swap curve and the minimum cost replicating portfolio represented by the Collateralised AAA curve. The Solvency II curve is published by EIOPA and based on the euro swap curve plus a volatility adjustment minus a deduction for credit risk, and converges towards the UFR. The UFR was introduced in line with the methodology adopted by DNB for the Dutch Financial Supervision Act adequacy test and Solvency II in 2013. This adaptation was made to avoid too much dependence on the low number of long-maturity bonds available in the market which could be used as benchmarks for such interest rate spreads.

The Dutch regulatory capital framework Solvency I that applied prior to the effectiveness of Solvency II included the UFR. As a result, the interest rate sensitivity of the liabilities on a regulatory basis was impacted differently compared to that of the Group's assets. As a consequence, when interest rates or credit spreads changed, the impact on the assets was different compared to that of the liabilities, causing volatility in the available capital.

Solvency II prescribes the use of the UFR and the level of the UFR is determined by the EIOPA. EIOPA has announced that it will be reviewing the methodology underlying the UFR but the UFR will remain at 4.2% at least until the end of 2016. If EIOPA were to change the level of the UFR, and if the rate the Group would be required to use for the periods between year 21 and year 60 for establishing the interest rate curve and measuring liabilities for the periods is lower than the current UFR of 4.2%, the effect of applying such rate could increase the value of the Group's insurance liabilities, which, in turn, could have a material adverse effect on the Group's financial condition, solvency and its solvency ratios, which, in turn, could impact its ability to pay dividends. See "*Risk Factors—Financial Risks—Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group's business, results of operations, financial condition and prospects*".

Solvency II and risk sensitivity

As noted above, the new Solvency II regime is intended to apply a more risk-sensitive standard to capital requirements for most insurers and reinsurers, bringing insurance regulation more closely in line with banking and security regulation with a view to avoiding regulatory arbitrage, aligning regulatory capital with economic capital and bringing about an enhanced degree of public disclosure on a yearly basis. Solvency II became effective as of 1 January 2016. The directive lays down strict requirements for insurers (including the Group). Final ITS have not yet been finalised so the Group cannot predict the exact impact that the rules will have on its business, capital requirements, financial condition, key risk management resources or results of operations. The Group has opted[33] to use the SF to calculate its Solvency II ratios based on its current interpretation of the requirements and discussions on certain points with DNB. Although the Group will use the SF for any public reporting of its Solvency II ratio, it will continue to utilise its internal economic capital model, which it has been using to internally calculate required capital on an economic basis for a number of years, except for operational risk for which the SF is used. This required capital is used for internal risk management purposes. The Group expects to continue to refine a partial internal model for purposes of Solvency II reporting. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018.

The SF under the Solvency II framework is better understood by industry participants because its methodology is publicly available. While its partial internal model is not yet approved by DNB, the Group believes that the impact of using the JF for calculating the amount of capital required is an increase in the Group's capital requirements. See also "*Risk Factors—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

Impact of the Financial Crisis

Since the financial crisis in 2008, global financial markets have experienced extreme and unprecedented volatility and disruption. The economic downturn and austerity measures imposed by many European countries

[33] See "*Risk Factors—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

led to higher unemployment levels, reduced consumer spending, lower corporate earnings and investments, depressed asset valuations and financial market volatility. During this time, many of the world's developed economies, including those of the Netherlands and Belgium, entered recession. Bank lending was severely reduced and housing markets in Europe declined in general, as did commercial real estate markets. The Dutch economy returned to growth in late 2013, and all economic signs in the first half of 2015 have been positive. Consumer and manufacturer confidence has increased, the housing market, both in terms of the number of houses sold and the average sale price, has recovered, unemployment has decreased and consumer spending and company investment has increased. However, the extended period of the economic downturn, together with steps taken to facilitate the recovery including maintaining interest rates at historically low levels, has had a material effect on the Group's business and in particular its investment portfolio, demand for its products and services and funding to support its mortgage operations.

The weak economic recovery has resulted in declining market demand for certain of the Group's products, mainly in general insurance where almost every business line has decreased in volume. Higher unemployment levels and stagnant wages in the Netherlands and Belgium have resulted in lower disposable income among the Group's customers, particularly for individual insurance products. In addition, the Group has experienced and may continue to experience higher levels of lapses or surrenders of policies in its life insurance business. Certain policyholders have deferred or ceased timely payments of insurance premiums. Furthermore, the Group's general insurance business may continue to experience an increase in the number of claims filed, which is typically experienced during periods of weak economic growth or decline.

Continued volatility in the financial markets as well as developments in the Dutch insurance markets, including volatile equity markets, have resulted in reduced demand for individual investment-linked products including certain savings products, mutual funds and unit-linked individual life insurance. As a result, the Group has seen a significant shift in the product mix of its new business away from unit-linked individual life insurance and similar investment-linked products toward more traditional insurance and savings products in the individual life market.

Low Interest Rate Environment

Since the onset of the financial crisis in 2008, interest rates in the Eurozone and other European markets where the Group operates have decreased to unprecedented levels. Long-term government bond yields in the Netherlands declined to around 1% in 2015 from over 4% in 2008, primarily as a result of financial instability within the Eurozone and associated uncertainty about the growth potential of the EU, which resulted in higher demand for safe haven assets such as government bonds and which caused the ECB to lower reference rates beginning in 2008 and to maintain such rates at historically low levels. The ECB recently announced further measures to stimulate the Eurozone economy, including further quantitative easing and a reduction in the benchmark deposit rate.

Long-term interest rates are critical to the Group's life insurance activities, due to its long-term obligations to policyholders. In general, a prolonged low interest rate environment negatively affects the Group's financial performance. On the income side, low interest rates have an adverse impact on the investment margin, as proceeds from maturing investments and premiums are (re)invested at yields lower than the current returns on the investment portfolio. Reduced interest credited to policyholders and lower profit sharing can offset the lower investment income, but such reductions are only partially effective due to the fixed or minimum guaranteed rates on many of the Group's life insurance products. Given that the Group invests in longer duration assets to align with its insurance liabilities, the prolonged low interest rate environment has gradually impacted the investment margin over time.

The low interest rate environment has made it more challenging to offer life insurance and pension products that are both attractive to customers and profitable, which has resulted in lower sales figures in the life insurance business segment. For general insurance, lower investment returns reduce the financial margin available to offset adverse underwriting results of operations and expense developments. Especially for products that are supported by investment returns, such as income protection products which have longer term payoff periods, low interest rates have had an adverse impact on financial performance where the COR has exceeded 100%. The Group's general insurance business is adversely affected in a situation where low investment yields do not provide sufficient returns to compensate for the effects of claims inflation on longer tailed business such as income protection products.

Investments and Other Assets

The Group's on-balance sheet assets under management are split as follows:

- Group own risk assets (backing the Group's insurance policies) EUR 46.2 billion at 31 December 2015 (EUR 55.7 billion at 31 December 2014); and
- Third party portfolios of EUR 23.8 billion at 31 December 2015 (EUR 29.6 billion at 31 December 2014).

Movements in the fair value of different classes of assets receive significantly different treatment in the Group's financial statements:

- Movements in the fair value of assets held as "other than trading" are recorded in the Group's income statement. Approximately 40% of the Group's on-balance sheet assets under management were so classified at 31 December 2015, primarily representing fixed income securities (96% of the Group's total "other than trading" portfolio) but also including equity securities (4% of the Group's total "other than trading" portfolio).
- Movements in the fair value of assets held as "available for sale" are primarily recorded in change to shareholders' funds on the Group's balance sheet through other comprehensive income, except where decreases in value are such that the Group's impairment rules give rise to losses that must be recognised in the income statement. Approximately 9% of the Group's total investment portfolio in debt and equity securities on which the group carries investment risk was classified as available for sale at 31 December 2015, primarily representing equity securities together with a small portion of fixed income securities.
- The remainder of the Group's investment portfolio, mainly mortgages and loan assets, is carried at amortised cost.

For additional information, please see "—*Critical Accounting Policies*".

Because the Group presents its balance sheet on a fair value basis for the majority of its assets and liabilities rather than at historical value, changes in equity, fixed income and property markets can have significant effects on the value of the Group's investment portfolio and consequently affect Group income, profitability and shareholders' funds. For example, if market interest rates fall, bond values rise, generating a profit for the Group as an investor in such bonds. When interest rates are low the Group has to set aside additional funds to ensure that it can pay policyholders the fixed sum they expect to receive at a certain point in the future. This need to reserve additional funds to meet future pension fund commitments comes at the expense of any of the investment profits mentioned earlier. Equity markets have recovered since the financial crisis but there have been periods of volatility during 2013, 2014 and 2015.

These developments have had a number of significant effects on the Group's investment portfolio.

Equity portfolio

The Group recorded net realised and unrealised gains of EUR 343.1 million in respect of own risk equity assets for the year ended 31 December 2015, including impairment charges of EUR 22.7 million. These charges largely reflected significant and prolonged decline in fair value of equity securities below their cost. The Group had realised and unrealised gains of EUR 696.4 million on equity assets held for policyholder risk in this period. For the years ended 31 December 2014 and 2013, net realised and unrealised gains on own risk equity securities were EUR 222.7 million, including impairments of EUR 28.9 million, and EUR 151.3 million, including impairments of EUR 85.8 million, respectively. Net realised and unrealised gains on equity securities held for policyholder risk, including equity securities in investment funds, were EUR 889.4 million in 2014 and EUR 643.8 million in 2013. In order to manage the higher capital requirements associated with equity investments, the Group has begun to reduce the size of this portfolio, selling most of its private equity portfolio during 2015.

Fixed income portfolio

The Group recorded net realised and unrealised losses on its fixed income portfolio, including mortgages and other loans, of EUR 703.8 million for the year ended 31 December 2015, which reflects a loss of EUR 619.5 million attributable to the Group's own risk portfolio and a loss of EUR 84.3 million attributable to the Group's policyholder risk portfolio. The losses were due to increased interest rates during the period. For the year ended 31 December 2014, net realised and unrealised gains were EUR 5,158.2 million, of which EUR 4,609.5 million was attributable to the Group's own risk portfolio and EUR 548.7 million was attributable to the Group's policyholder risk portfolio. The gains were due to decreased interest rates during the period. For the year ended 31 December 2013, net realised and unrealised losses were a loss of EUR 1,046.9 million, of which EUR 1,031.4 million was attributable to the Group's own risk portfolio and EUR 15.5 million was attributable to the Group's policyholder risk portfolio. The losses were mainly due to changes in interest rates and also impairments caused by write-downs due to the financial difficulty experienced by OFNL, a counterparty of the Group under certain notes and a cross-currency swap.

Real estate portfolio

Income on property is generated by rental income minus maintenance expenses. The income is also affected by market value changes of the property owned and the office investment portfolio sold to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million, as announced on 13 November 2015. The Group recorded rental income and realised and unrealised gains on its real estate portfolio of EUR 66.6 million for the year ended 31 December 2015. Gains for the year ended were positively affected by value increases of the residential portfolio. For the year ended 31 December 2014, the Group recorded gains of EUR 4.5 million of which EUR 77.1 million was net rental income and revaluation losses of EUR 72.6 million. For the year ended 31 December 2013, the Group recorded gains of EUR 39.3 million, of which EUR 111.7 million was net rental income and losses due to revaluation of EUR 72.4 million.

Derivatives

The Group makes use of interest rate swaps, put options and other derivatives to protect against adverse changes in interest rates and equity markets. The Group does not actively trade derivatives to create profits, but uses them only for risk management purposes. Moreover, derivatives are employed only to manage exposures on the Group's balance sheet and not to mitigate fair value effects on its income statement. Under IFRS, changes in the fair value of derivatives are reported in the Group's income statement under results from derivatives; changes in the fair value of the assets those derivatives are intended to hedge may be recorded on the income statement or directly in the balance sheet as a change in shareholders' funds. The profit and loss treatment of the fair value movements of the derivatives will therefore not necessarily correspond to the profit and loss treatment of the exposures being hedged. Furthermore, derivatives may not always offset balance sheet exposures they are intended to mitigate. Derivatives can thus be a source of volatility in the Group's results.

The Group was primarily focused on hedging of the interest and longevity risk on an economic basis during the periods under review. See "*Risk Management*" for further information on the Group's hedging policy. Result from derivatives was a loss of EUR 631.9 million in the year ended 31 December 2015 and a gain of EUR 1,400.5 million in the Group's total income in the year ended 31 December 2014. Result from derivatives was a loss of EUR 690.9 million in the Group's total income in the year ended 31 December 2013.

For further information on the Group's use of derivatives, see note 4.1.7.16 "*Derivatives*" included in the 2015 Financial Statements incorporated by reference herein.

Mortgage valuation

In December 2014, the Group changed the fair value calculation of the market valuation of the Dutch mortgages it carries as assets, as a result of prudent capital management and regulatory guidance. The discount rate was changed to include a solvency spread for future parameter uncertainty and an extra spread to incorporate additional market observable data (i.e. primary consumer pricing). At 31 December 2015, the net impact of these adjustments on the fair value of the mortgage portfolio would have been a loss of EUR 54.2 million on the income statement and shareholders' funds. Under Solvency II, any change in mortgage valuation has a positive or negative effect on the Solvency II ratio (SF). For further information on the impact of changes in property values on the Solvency II ratio (SF), see "*—Regulatory Capital Requirements—Solvency II*".

As a result of these changes, there will be an impact on future IFRS cash flows and the profitability of the Group, as the point-in-time valuation change impacts are only applicable at the time profits are recognised, and immediate impacts on capital will be recovered through cash flows over the lifetime of the portfolio. There is also no impact on the quality of the Dutch mortgage portfolio.

Group Pension Insurance Policies

In recent years, companies in many industries have increasingly sought to relieve pressure on their balance sheets caused by pension obligations. As a result, many companies in the Dutch market have liquidated their pension funds and transferred their pension liabilities to insurers. Such group pension policies, and in particular single premium group pensions, have been one of the Group's primary sources of GWP in the period under review.

Group pension policies can cause irregular movements in GWP and liabilities from period to period. Single premium group pension policies call for a large initial premium payment and no periodic payments thereafter. The acquisition of such a contract will generate large, one-off increases in GWP and liabilities in the period in which it occurs.

While the Group's business in group pensions has grown significantly overall, premiums have varied from period to period, reflecting both developments in the markets and changes in the Group's strategy. In 2014, the Group began focusing on margins over volume, generating GWP of EUR 2,626.6 million for the year in the life insurance business segment. In 2015, the Group continued this approach, generating GWP of EUR 2,683.7 million for the year ended 31 December 2015. The Group expects that the share of defined contribution contracts in its insurance portfolio will increase going forward. This shift reflects the Group's response to Solvency II and increased focus on less capital intensive market segments as well as the continuing low interest rate environment. Accordingly, the Group believes that the group pension business will remain a significant source of GWP going forward.

Group contracts (mostly pensions) generated annual and single premium GWP of EUR 1,550.3 million and EUR 1,565.9 million for the year ended 31 December 2015 and the year ended 31 December 2014, respectively, representing 57.8% and 59.6%, respectively, of the Group's GWP from life insurance. Group contracts (mostly pensions) generated annual and single premium GWP of EUR 2,107.9 million for the year ended 31 December 2013, representing 58.7% of the Group's GWP from life insurance.

Bank annuities

The Group's banking business offers bank annuities. This product comes in two forms, as a long-term savings and investment product (deferred annuity) or as a temporary immediate annuity. Both provide economic returns to customers that are similar to, and otherwise a substitute for, individual life annuity products. Due to legislative changes in the Netherlands in 2008, bank annuities are as tax-efficient as life insurance products, enabling the Group's banking business segment to offer it at terms and prices competitive with individual life insurance. Bank annuities sold as savings products can be used for funding mortgages or other banking activities similar to long-term deposits.

As a result, bank annuities are an attractive source of funding for the Group's banking business segment and a key component of its overall banking strategy in the Netherlands, although the product has reduced demand for the Group's individual life insurance policies.

The Group has been actively pursuing the opportunity presented by this market and is focused on promoting bank annuities while reducing focus on individual life insurance policies.

The bank annuities product has been the primary driver of declines in the individual life insurance market in the Netherlands. In addition, as bank annuities are offered by banks, this has opened the competition for life insurance-like savings products to the banking industry.

Competition

The markets for financial services in the Netherlands and Belgium are highly competitive. Many companies compete with the Group, including other insurance companies, mutual fund companies, investment management firms, commercial banks, and other financial institutions. The Group was one of the largest Dutch life insurance providers in 2014 measured on the basis of GWP, but competes in the Netherlands and Belgium with numerous life insurance providers, a number of whom have operations that are comparable to, or larger than, the Group's operations in their size, scope and brand recognition. Some of these competitors offer similar products and use similar distribution channels.

The general insurance market is highly competitive due to decreasing market volumes with no clear market leader and a substantial number of insurers in the market fighting for market share. Furthermore, the high number of players has led to overcapacity leading to price competition adversely affecting GWP.

The introduction of APF for defined benefit pensions leads to new entrants in the pension market, such as banks and investment managers and allows Dutch pension funds to compete directly with commercial insurance companies in the Netherlands. This would allow pension funds to underwrite and cross-sell additional life products to non-pension fund customers. However, insurance companies will also become more direct competitors of pension funds as the introduction of APF allows them to use a product feature previously only available to pension funds. This potentially lowers premiums due by employers, making insurance companies more attractive as alternative suppliers to employers. Government plans that were included in the APF regulation also contemplate the abolition of compulsory participation of certain companies in pension funds that would further increase competition between insurance companies and pension funds. The APF legislation came into force on 1 January 2016, with licensing of APF vehicles by DNB to follow.

For a further description of competition in the Group's insurance markets, see "*Industry Overview*".

Efficiency and Cost Reduction Initiatives

In the first part of 2015, the Group initiated a review of its strategy. Long-term trends affecting the insurance industry, such as client preferences, regulatory changes, developments in distribution, competition, changing demographics and technology are creating both challenges and opportunities for the Group. The Group's strategy, "Closer to the customer", includes an increased focus on customer satisfaction and retention, values and ways of working, implementing capital management and other plans and efficiency enhancing programmes in order to address these trends. See "*Business—Revised Strategy*". In order to improve efficiency and reduce costs, the Group has been focusing on reducing overall complexity in its way of working and on moving towards a more agile and innovative organisation. In order to improve operational efficiency and to respond more quickly to market and customer demands, the Group has reorganised its business model by integrating its commercial activities into the life insurance, general insurance and banking business segments. In addition, cross-segment functions will be placed at central level (for example brand and strategic marketing) and IT will be partially integrated into each of the Group's business segments to create an open infrastructure and ensure better cooperation.

The Group continues to optimise its business segments in response to market developments with a view to reducing costs, creating economies of scale and enhancing efficiencies. The Group has an established cost reduction programme with external targets in place. The Group's targeted operating expenses for the year ended 31 December 2016 are EUR 610 million. The Group's targeted operating expenses for the year ended 31 December 2015 was EUR 620 million. This target was met, as the Group's operational expenses for that year amounted to EUR 619 million. Through its cost savings plan, the Group has actively sought to reduce the cost base or operational expenses of the Group (which excludes one-off costs associated with strategic projects, restructuring, impairments, run-off activities and terminated contracts), by for example decreasing expenses associated with information and communication technology (i.e. reduction of information technology systems, straight through efficiency processing implementations), office equipment and supplies, consulting services and management bonuses. Cost savings are important for the Group, as they positively impact its product margins and overall financial position. In addition, the Group has control over cost savings and can directly influence them, which differs from other factors affecting the Group's business that are outside its control, such as life expectancy (for life insurance and pension products) or accidents (for general insurance products). Realising cost savings has been a key initiative of the life insurance business segment, especially in relation to managing the back-books in the most efficient way possible. The Group is seeking a back-book cost reduction target in 2016 of 10% (within the overall target above). The general insurance business segment is focused on the digitalisation and customer retention aspects of its retail offerings as a means to improve services to the customers and to reduce costs.

Between 31 December 2009 and 31 December 2015, the Group's operational expenses have decreased by 36.6% (to EUR 618.6 million) and its staff decreased by 31.5% (to 4,738.7 FTEs). In the year ended 31 December 2015, the cost savings plan resulted in operational expenses of EUR 618.6 million, which were within the Group's operational expenses target of EUR 620 million for that year, compared to EUR 605 million for the year ended 31 December 2014. This slight increase was mainly due to higher pension service costs. The Group is focused on cost discipline and operational cost reduction and is targeting a reduction in operational expenses for 2016 to below EUR 610 million reflecting a balance between cost savings and important reinvestment (for example in digitalisation) and a further reduction to less than EUR 560 million in 2018.

In 2015, the Executive Board decided to accelerate the shift towards relatively lower risk, less volatile products and move the investment portfolio towards relatively higher Solvency II risk-adjusted returns. However, the legacy of the Group's existing defined benefit pension schemes still impacts its capital position and the provisions associated with the defined benefit back-book will only be released over the long term. The back-book of DLL is dominated by a mature defined benefit portfolio. With the transition to defined contribution contracts, limited new defined benefit contracts will be sold in the coming years and this portfolio will go into run-off as the outgoing benefits exceed premium income received. The expected profit sharing is minimal and will only increase in the event of higher interest or inflation. These long term guaranteed pension payment contracts are capital intensive and as these liabilities decrease over time, the required capital will be released. The timing of the release of this capital will depend on the development of interest rates over time. If interest rates go up, the speed of the release of capital will also go up. Within 20 years the value of the liabilities is expected to be half the current value.

Key Line Items

Below is a discussion of the principal components and accounting judgements that comprise each of the key line items discussed in the results of operations for the Group and the four business segments that follow.

Gross Written Premiums

The relative levels of GWP depend on the mix of products sold in the current period, particularly single premium products, and on the persistence of products sold in previous years, particularly annual premium products. The levels of GWP may change depending on a variety of factors, including interest rate levels, insurance and market risk, equity market returns, and legal and regulatory developments. GWP are shown before deduction of commission and before any taxes or duties levied with premiums. Set out below is the basis of recognition of GWP for the Group's life insurance and general insurance businesses:

- ***Life insurance:*** Single premium contracts are deemed receivable on the date the contract is effective (for new business) or the renewal date. Annual premium contracts are deemed receivable on the date when monthly instalments are due. Unit-linked GWP are recognised as premium income when units are created. This treatment is different from that in certain other life insurance companies who treat such premiums received as deposits which would not be included in GWP.
- ***General insurance:*** GWP for general insurance are recognised over the period of the contract in proportion to the amount of insurance protection provided. In other words, GWP are recorded and then an unearned portion (premiums relating to future periods) is removed from the income statement and deferred on the balance sheet. For example, if a one-year auto policy is entered into on 1 July, premium income for 12 months of the year would be included in GWP with the unearned premium included in the net change in the provision for unearned premiums.

Total Investment Income

The material line items that comprise total investment income are described below and include both own risk and policyholder risk income. As a result, investment income is presented and discussed at the Group level.

Though overall trends in financial markets tend to be the same for Group investment income, there are certain differences in investment income between the Group's business segments, as products with different durations require different investments.

Interest income

Interest income is recognised as it accrues, taking into account the effective interest rate of the investment. It includes interest income as a result of interest rate differentials on forward foreign exchange contracts as well as income from fixed income investments, mortgage loans and other loans.

Dividends

Dividends on investments in equity securities are recorded as income on the ex-dividend date.

Movements in the value of investments classified as other than trading

Movements in the value of investments classified as other than trading are comprised of both fair value changes and realised gains/losses on the investments which are classified in the "other than trading" category. The "other than trading" category is used where this eliminates an accounting mismatch. An accounting mismatch can exist for insurance contracts where the insurance liability is measured using market-based interest rates. Changes in the fair value of other than trading investments are included in the income statement in the period in which they arise.

The Group classifies the vast majority of its investments as other than trading. As a result, changes in the fair value of investments classified as other than trading are included in the income of the Group. During the periods under review, movements in the value of these assets have had the most significant impact on the Group's total investment income. The movements in the value of investments classified as "other than trading" exclude movements in the value of investment property as these fall under other investment income.

Realised gains and losses on available-for-sale investments

The Group's available-for-sale investments consist of equity investments and a small portion of the Group's fixed income portfolio. Realised gains and losses on available-for-sale investments are comprised of book gains and losses on the sale of investments as well as impairments on those investments. The realised gain or loss on the disposal or impairment of an investment is the difference between the current fair value, and its original cost or amortised cost as appropriate. Other than movements in the value of investments classified as other than trading, changes in the gains and losses realised from the sale or impairment of available-for-sale investments have had the most significant effect on the Group's total investment income. Due to the method by which impairments for equity securities are measured, there tends to be a lag in the deterioration of the market value and the recognition of the impairment. Furthermore, although these losses are realised through the Group's income statement they remain recoverable given the fact that the impaired assets have not actually been sold. However, any recovery will be recorded in the revaluation reserve until the assets are sold.

Result from derivatives

Result from derivatives is comprised of unrealised and realised changes in the fair value of the derivatives classified as trading. Derivative financial instruments include futures, options on equity instruments, currency and interest rate swaps, currency and interest rate options (both written and purchased), swaptions, foreign exchange contracts, and other financial instruments that derive their value mainly from underlying interest rates, equity instruments, commodity values or foreign exchange rates. See "*Risk Management*".

Other investment income

Other investment income is comprised mainly of the unrealised gains and losses on investment property.

Fee and Commission Income

The Group receives fee and commission income from all of its business segments. Fee and commission income of the Group's life business segment derives from unit-linked policies in Belgium and certain unit-linked policies in the Netherlands (i.e., investment contracts without profit sharing), and includes the amounts of fund-related charges. Fee and commission income of the Group's banking business segment derives from the sale of ordinary banking products and services, including mortgage loans. Fee and commission income from the Group's general insurance business segment refers to reinsurance commissions. Fee and commission income from the Group's asset management business segment comprises asset management for third-party funds only. Fees and commission earned on the management of the Group's own funds reduce operating expenses of the Group's asset management business segment and are eliminated on consolidation.

Other Operating Income

Other operating income comprises primarily income (expense) created by the fair market valuation of mortgage assets held by, and notes issued by, Amstelhuys. Although Amstelhuys is primarily a funding vehicle designed to operate on a cash-neutral basis, fair value accounting of its assets and liabilities can result in recognition of income or loss if the value of its assets and liabilities do not match. This can happen when, for example, funding spreads increase or decrease, causing a subsequent decrease or increase in the market value of the notes while asset values remain relatively unchanged.

Net Claims and Benefits Paid

For the Group's life insurance business, net claims and benefits paid comprise the claims and benefits paid at maturity of the policies (including death and surrender) as well as periodic payments made on annuities. For the Group's general insurance business, net claims and benefits paid comprise claims payments made during the period net of any recovered amounts.

Change in Insurance Liabilities

For the Group's life insurance business, changes in insurance liabilities comprise changes to provisions due to new business, lapses, expected changes in existing business, variances between actual and expected claims and the impact of changes to operating and economic assumptions. It includes change to investment contracts with profit sharing and unit-linked policies. The Group uses the Collateralised AAA Curve to value its liabilities.

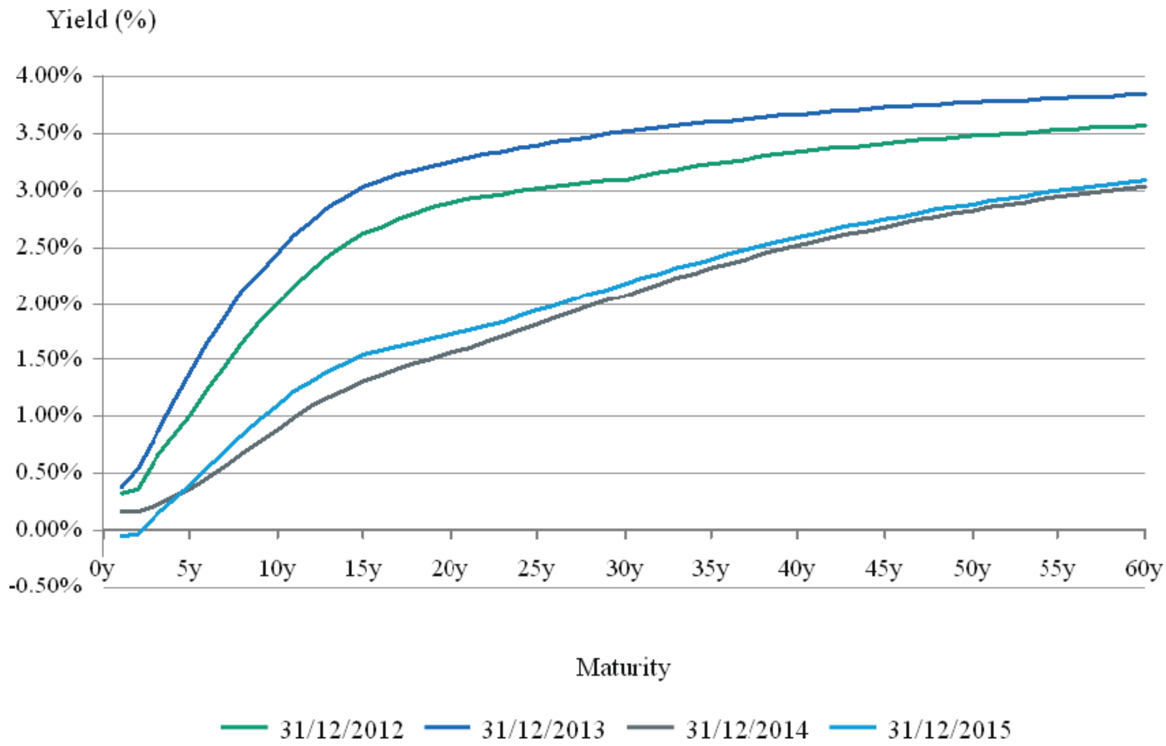
As the Group values its insurance liabilities on a market consistent basis, the main reason for changes in life insurance liabilities is the change in the Collateralised AAA curve over time. In the table below, the 10 year point from different interest rates is given, reflecting the volatility in the discount rate.

	Year ended 31 December		
Curve	**2015**	**2014**	**2013**
Collateralised AAA[(1)] (%)	1.09%	0.88%	2.44%
Change during year (bps)	+21	-156	+45
Impact on insurance liability (EUR million)	-54.8	+5,422.8	-626.5

(1) An Ultimate Forward Rate of 4.2% was introduced in this curve as of the second quarter of 2013.

The following graph shows the Collateralised AAA curve for the periods under review when interest rates at 31 December in each of the years are used. From this graph it becomes clear that interest rate movements are not parallel throughout the period under review.

Collateralised AAA Curve 31 December 2012 – 31 December 2015



For the Group's general insurance business, changes in insurance liabilities comprise movements due to changes to assumptions, incurred claims and expenses less the actual claim payments made in the year, net of recovered amounts and new business. Claims and related expenses are recognised in the income statement when the insured events occur. The amount recorded for the claim includes estimates of costs for claims related to insured events that have incurred but have not been reported (IBNR) to the insurer. Thus the expense includes claims actually paid, the change in claims reserve, as well as other related expenses. Estimated recoverable amounts on unsettled claims, such as salvage, subrogation or a potential ownership interest in real estate is evaluated in terms of estimated realisable value and deducted from loss expense. Estimated recoverable amounts on settled claims are also deducted from loss expense. Only the reserves relating to income and absenteeism are discounted and therefore will fluctuate due to changes in interest rates, while the remaining insurance liabilities are all short-term and therefore not discounted.

Expenses Relating to the Acquisition of Insurance and Investment Contracts

Expenses relating to the acquisition of insurance and investment contracts include contracts from the Group's life and general insurance businesses as well as third-party investment contracts from the Group's asset management business.

The Group defers policy acquisition costs that vary with, and are primarily related to, the acquisition of new or renewal life insurance contracts, and general insurance contracts. Such costs consist principally of commissions, and certain underwriting and contract issue expenses. Policy acquisition costs are deferred to the extent that they are recoverable from future expense charges in the premiums or from expected gross profits, depending on the nature of the contract.

For investment contracts and general insurance contracts, capitalised acquisition costs and a deferred income reserve liability are recognised in respect of transaction costs and front-end fees respectively, which relate to the management of investments, and which are amortised on a systematic basis over the contract term.

Finance Costs

Finance costs comprise interest owed to credit institutions and other interest expenses due to financing arrangements during the period. The Group's finance costs are mainly attributable to the Group's life insurance, general insurance and banking business segments, as well as Amstelhuys.

Other Operating Expenses

Other operating expenses comprise primarily expenses relating to salaries for employees, operating expenses, amortisation of intangible fixed assets, depreciation on property and equipment, impairments on intangible fixed assets and receivables and non-recurring expenses.

Recent Trading

Unaudited IFRS Results

Overall trading for the two months ended 29 February 2016 has been broadly in line with the underlying business levels experienced in the two months ended 28 February 2015. The first quarter of each year typically experiences significantly higher levels of business compared to other quarters in life insurance (due to pension renewals).

The overall GWP of the Group were EUR 1,094 million for the two months ended 29 February 2016, which is EUR 27 million lower compared to the EUR 1,121 million for the two months ended 28 February 2015. The Group's life insurance business segment GWP were EUR 743 million (compared to EUR 793 million for the two months ended 28 February 2015). The Group's general insurance business segment GWP were EUR 351 million (compared to EUR 329 million for the two months ended 28 February 2015).

On a Group-wide basis, the development in operational expenses for the two months ended 29 February 2016 was somewhat lower compared with the two months ended 28 February 2015. The Group continued its initiatives in expanding its digital and data capabilities, leveraging technology and was and will continue to be focused on reducing the overall complexity of its organisation.

IFRS shareholders' funds, on a consolidated basis, remained relatively stable at EUR 2.5 billion as of 29 February 2016, compared to EUR 2.6 billion as of 31 December 2015, notwithstanding the sharp reduction of interest rates in the period.

Solvency II

The Company continues to make progress implementing its management actions. For the two months ended 29 February 2016, based on estimates of the effect of market movements, the Solvency II ratio (SF) is expected to be no worse than modestly lower than the SF ratio at year end 2015.

Results of Operations for the Years Ended 31 December 2015, 2014 and 2013

Consolidated Results of Operations

The table below shows consolidated results of operations for the Group for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	2014	2013(1)
	(EUR million)		
Income			
Gross written premiums	4,038.3	3,963.3	4,757.5
Outward reinsurance premiums	-162.5	-335.9	-173.2
Net written premiums	**3,875.9**	**3,627.5**	**4,584.3**
Change in unearned premiums provision	0.4	59.8	71.9
Net earned premiums	**3,876.3**	**3,687.3**	**4,656.2**
Investment income	1,753.8	9,816.4	977.0
Share of profit or loss after tax of associates	82.6	73.4	-14.6
Net investment income	**1,836.4**	**9,889.9**	**962.4**
Fee and commission income	298.7	293.1	289.6
Other income	63.2	6.6	42.9
Total investment and other income	**2,198.3**	**10,189.6**	**1,294.9**
Total income	**6,074.6**	**13,876.9**	**5,951.0**
Expenses			
Net claims and benefits paid(2)	3,878.0	3,945.1	3,813.6
Change in insurance liabilities	-213.8	6,974.5	-244.2
Charge to financial liability on behalf of third-party interest in consolidated investment funds	487.3	660.6	372.0
Expenses relating to the acquisition of insurance, investment and other contracts	621.4	618.8	680.3
Finance costs	362.5	493.7	425.6
Other operating expenses	788.8	716.0	658.9
Total expenses	**5,924.2**	**13,408.7**	**5,706.2**
Result before tax from continuing operations	**150.4**	**468.2**	**244.8**
Income tax	9.6	87.8	36.5
Result after tax from discontinued operations	-0.6	22.5	13.0
Net result	**140.2**	**402.8**	**221.4**
Attributable to:			
Delta Lloyd N.V. Shareholders	128.1	361.1	183.3
Non-controlling interests	12.1	41.7	38.1

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(2) Net claims and benefits paid include profit sharing and discounts.

The following discussion describing the Group's results of operations for the years ended 31 December 2015, 2014 and 2013 is based on the Group's audited consolidated financial statements, prepared in accordance with IFRS. The Group manages and discusses investment income at the Group level because a large part of the Group's hedges are held within the Group's Delta Lloyd branded insurance business. This affects not only the investment income of the Group's Delta Lloyd branded insurance business but that of all of the Group's business segments, although investment income for the life and general insurance businesses is also particularly affected by the investment assets and investment strategies of those businesses. However, the remaining line items in the consolidated results of operations are driven by the specific results from each of the Group's four business segments. For more information on the key drivers within those business segments, please see the results of operations discussions for each of the individual business segments.

Income

GWP

GWP for the year ended 31 December 2015 were EUR 4,038.3 million, an increase of EUR 75 million, or 1.9%, compared with EUR 3,963.3 million for the year ended 31 December 2014. The increase was due to an increase in the Group's GWP attributable to the life insurance business of EUR 57 million and an increase in the GWP attributable to the Group's general insurance business of EUR 18 million. The increase in GWP attributable to the Group's life insurance business related mainly to increases in the sale of defined contribution products due to the Group's focus on capital light products.

GWP for the year ended 31 December 2014 were EUR 3,963.3 million, a decrease of EUR 794.2 million, or 16.7%, compared with EUR 4,757.5 million for the year ended 31 December 2013. The decrease was primarily due to a decrease in GWP in the Group's life insurance business in the Netherlands and to a lesser extent in the Group's general insurance business.

Fee and commission income

Fee and commission income for the year ended 31 December 2015 was EUR 298.7 million, an increase of EUR 5.6 million, or 1.9%, compared with EUR 293.1 million for the year ended 31 December 2014. The increase was primarily a result of increased fee and commission income attributable to the life and asset management segments.

Fee and commission income for the year ended 31 December 2014 was EUR 293.1 million, an increase of EUR 3.5 million, or 1.2%, compared with EUR 289.6 million for the year ended 31 December 2013. The increase was driven primarily by an increase of EUR 30.8 million in fee and commission income in the Group's life insurance business, which was partly offset by a decrease of EUR 24.0 million in fee and commission income in the Group's asset management business segment. The increase in the life insurance business was mainly due to the Group's Belgian business, while the decrease in the asset management business segment was primarily due to a decrease in assets under management due to lower valuations in financial markets and continued difficult conditions in the Group's main markets.

Other income

Other income for the year ended 31 December 2015 was EUR 63.2 million compared with EUR 6.6 million for the year ended 31 December 2014. The increase was primarily due to the sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland.

Other operating income for the year ended 31 December 2014 was EUR 6.6 million, a decrease of EUR 36.3 million, or 84.6%, compared with EUR 42.9 million for the year ended 31 December 2013. The decrease was due to the negative goodwill recorded 2013 at Delta Lloyd Life Belgium relating to the acquisition of ZA Verzekeringen of EUR 41.5 million in 2013.

Total investment and other income

The table below shows the principal components of Group investment and other income for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014**	**2013[(1)]**
		(EUR million)	
Interest income	1,570.9	1,693.9	1,574.3
Rental income	66.6	77.1	82.1
Dividends	249.9	245.4	278.4
Movements in the fair value of investments classified as held for trading	-5.1	-1.1	3.0
Movements in the fair value of investments classified as other than trading	214.4	6,234.0	-209.4
Realised gains and losses on investments classified as available-for-sale	271.7	252.4	117.1
Results from loans and receivables	6.6	-24.8	19.6
Result from derivatives	-631.9	1,400.5	-691.0
Share of profit or loss after tax of associates	82.6	73.4	-14.6
Other investment and other income	73.8	-54.3	115.1
Fee and commission income	298.7	293.1	289.6
Total investment and other income	**2,198.3**	**10,189.6**	**1,294.9**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Total investment and other income for the year ended 31 December 2015 was EUR 2,198.3 million, a decrease of EUR 7,991.3 million, or 78.4%, compared with EUR 10,189.6 million for the year ended 31 December 2014. The decrease was primarily due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014, affecting fixed income valuations of the investment portfolios.

Total investment and other income for the year ended 31 December 2014 was EUR 10,189.6 million, an increase of EUR 8,894.7 million, or 686.9%, compared with EUR 1,294.9 million for the year ended 31 December 2013. The increase was mainly due to the significant decrease in interest rates in 2014 compared to 2013 resulting in a significant increase in the fair value of debt securities including derivatives. As the majority of the debt securities are classified as "other than trading", the fair value movements are recognised in the income statement.

The components of total investment and other income are further discussed below under "*—Total net investment income—own risk*" and "*—Total net investment income—at policyholders' risk*". The return on these funds has an impact on the size of the investments backing unit-linked policies, on which the Group receives a fee income. To the extent minimum return guarantees are provided on unit-linked policies, profitability will be adversely impacted to the extent investment income on assets backing such policies does not exceed the amount of any current or future payments the Group is required to make to achieve the level of guaranteed return. See "*—Key Factors Affecting Results of Operations—Drivers of Profitability in the Group's Life Insurance Business*".

Total net investment income—own risk

The table below shows the principal components of Group investment income—own risk for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013[1]
	(EUR million)		
Interest income	1,383.2	1,500.1	1,343.1
Dividends	90.6	88.4	152.7
Movements in the value of investments classified as trading	-5.1	-1.1	3.0
Movements in the value of investments classified as other than trading	-578.3	4,442,9	-1,043,4
Realised gains and losses on available-for-sale investments	295.4	274.2	188.1
Result from derivatives	-647.7	1,436.0	-708.6
Realised/unrealised investment income	29.6	11.7	-86.4
Result from investment property	-19.0	-72.6	-71.6
Other income	132.2	104.0	23.1
Total net investment income—own risk	**681.0**	**7,783.5**	**-246.1**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Total net investment income—own risk for the year ended 31 December 2015 was EUR 681.0 million, a decrease of EUR 7,102.5 million or 91.24% compared with EUR 7,783.5 million for the year ended 31 December 2014. The decrease was mainly due to movements in the fair value of investments classified as other than trading due to the relatively slight increase in interest rates during the year ended 31 December 2015 compared to the significant decrease in interest rates in the year ended 31 December 2014.

Total net investment income—own risk for the year ended 31 December 2014 was EUR 7,783.5 million, compared with a loss of EUR 246.1 million for the year ended 31 December 2013. The significant increase was due to gains arising from the decrease in interest rates in 2014 compared to 2013 and resulting movements in the fair value of investments classified as other than trading, including realised fair value changes for debt securities of EUR 400.2 million for the year ended 31 December 2014, compared to EUR 215.1 million for the year ended 31 December 2013 and unrealised fair value changes for debt securities at own risk of EUR 3,901.3 million for the year ended 31 December 2014, compared to a loss of EUR 1,250.8 million for the year ended 31 December 2013. Gains from derivatives also had a positive impact, increasing to EUR 1,436.0 million for the year ended 31 December 2014, compared to a loss of EUR 708.6 million for the year ended 31 December 2013. This was largely offset by an increase in insurance liabilities, net of reinsurance, also due to changes in interest rates during the period.

Interest income

Interest income for the year ended 31 December 2015 was EUR 1,383.2 million, a decrease of EUR 116.9 million, or 7.8%, compared with EUR 1,500.1 million for the year ended 31 December 2014. The decrease was due to decreased interest income across all business segments, except for the bank segment which increased its investment in mortgages. The decline in interest income from the banking segment was due to decreases in the Amstelhuys mortgage portfolio and also the sale of Delta Lloyd Bank Belgium in July 2015.

Interest income for the year ended 31 December 2014 was EUR 1,500.1 million, an increase of EUR 157.0 million, or 11.7%, compared with EUR 1,343.1 million for the year ended 31 December 2013. The increase was primarily due to an increase in other interest income to EUR 30.5 million for the year ended 31 December 2014, from a loss of EUR 117.2 million for the year ended 31 December 2013, and a reduction in losses on interest rate swaps which decreased to a loss of EUR 98.1 million for the year ended 31 December 2014 from a loss of EUR 134.4 million for the year ended 31 December 2013.

Dividends

Dividends for the year ended 31 December 2015 were EUR 90.6 million, an increase of EUR 2.2 million, or 2.5%, compared with EUR 88.4 million for the year ended 31 December 2014. The increase was due to a one-off increase in dividends from the sale of a private equity portfolio.

Dividends for the year ended 31 December 2014 were EUR 88.4 million, a decrease of EUR 64.3 million, or 42.1%, compared with EUR 152.7 million for the year ended 31 December 2013. The decrease reflected a reduction in dividends received from the Group's equity portfolio due to a decision to reduce exposures to equities in the own risk portfolio in 2014.

Movements in the fair value of investments classified as held for trading

Movements in the fair value of investments classified as held for trading for the year ended 31 December 2015 resulted in a loss of EUR 5.1 million, a deterioration of EUR 4.0 million or 363.6% compared with a loss of EUR 1.1 million for the year ended 31 December 2014. This deterioration was due to the impact of the Longevity Derivatives entered into with RGA.

Movements in the fair value of investments classified as held for trading for the year ended 31 December 2014 resulted in a loss of EUR 1.1 million compared with a gain of EUR 3.0 million for the year ended 31 December 2013.

Movements in the fair value of investments classified as other than trading

Movements in the fair value of investments classified as other than trading for the year ended 31 December 2015 resulted in a loss of EUR 578.3 million, a decrease of EUR 5,021.1 million or 113.0%, compared with a gain of EUR 4,442.9 million for the year ended 31 December 2014. The decrease was due to the slight decrease in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014.

Movements in the fair value of investments classified as other than trading for the year ended 31 December 2014 resulted in a significant gain of EUR 4,442.9 million, compared to a loss of EUR 1,043.4 million for the year ended 31 December 2013. These results cover both realised and unrealised gains and losses on the other than trading portfolio. The significantly positive result for 2014 reflects significant gains due to the movements in the fair value of investments classified as other than trading attributable to a decrease in interest rates during 2014, including the positive impacts of EUR 400.2 million for the year ended 31 December 2014 of realised fair value changes for debt securities at own risk, compared to EUR 215.1 million for the year ended 31 December 2013 and EUR 3,901.3 million for the year ended 31 December 2014 of unrealised fair value changes for debt securities at own risk, compared to a loss of EUR 1,250.8 million for the year ended 31 December 2013.

Realised gains and losses on available-for-sale investments

Realised gains and losses on available-for-sale investments for the year ended 31 December 2015 was a gain of EUR 295.4 million, compared with a gain of EUR 274.2 million for the year ended 31 December 2014. This increase was due to the reduction of the available-for-sale equity portfolio.

Realised gains and losses on investments classified as available for sale for the year ended 31 December 2014 resulted in a gain of EUR 274.2 million, compared with gains of EUR 188.1 million for the year ended 31 December 2013. The increase in 2014 compared to 2013 was primarily due to a one-off loss from a debt security by Delta Lloyd Bank Netherlands that was incurred in 2013.

Result from derivatives

Result from derivatives for the year ended 31 December 2015 resulted in a loss of EUR 647.7 million, compared with a gain of EUR 1,436.0 million for the year ended 31 December 2014. The loss recognised in the year ended 31 December 2015 was primarily due to interest rate swaps and swaptions as a result of interest rate movements during 2015.

Result from derivatives for the year ended 31 December 2014 was a gain of EUR 1,436.0 million, an increase of EUR 2,144.6 million, compared with a loss of EUR 708.6 million for the year ended 31 December 2013. The gain recognised in the year ended 31 December 2014 was primarily due to significant gains of EUR 1,564.2 million due to an increase in unrealised fair value changes for the year ended 31 December 2014, compared to a loss of EUR 1,043.6 million for the year ended 31 December 2013. The fair value changes were primarily due to the relatively high interest rates at the end of 2013 compared to 2014.

Realised/unrealised investment income

Realised/unrealised investment income for the year ended 31 December 2015 was a gain of EUR 29.6 million, an increase of EUR 17.9 million, compared with a gain of EUR 11.7 million for the year ended 31 December 2014. The increase was mainly due to the revaluation of securitised mortgages loan notes as a result of changes in interest rates during the period.

Realised/unrealised investment income for the year ended 31 December 2014 was EUR 11.7 million, an increase of EUR 98.1 million, compared with an expense of EUR 86.4 million for the year ended 31 December 2013. The increase was due to foreign exchange effects resulting from the weakening of the Euro against the US dollar.

Results from investment property

Results from investment property for the year ended 31 December 2015 was a loss of EUR 19.0 million, compared with a loss of EUR 72.6 million for the year ended 31 December 2014. The loss recognised in 2015 reflects losses due to the semi-annual valuation of the investment property portfolio. During the year ended 31 December 2015, the losses on commercial and office real estate were offset by fair value increases on residential real estate. During the year ended 31 December 2015, the Group's commercial and office real estate portfolio was sold. See "*Business—Overview—Recent Developments*".

Results from investment property for the year ended 31 December 2014 was a loss of EUR 72.6 million, an increase of EUR 1 million, compared with a loss of EUR 71.6 million for the year ended 31 December 2013. The 2014 result mainly consists of unrealised fair value gains/losses on investments at a loss of EUR 71.7 million for the year ended 31 December 2014, compared with an unrealised loss of EUR 80.4 million for the year ended 31 December 2013.

Total net investment income—at policyholders' risk

Total net investment income at policyholder risk is attributable to the policyholder. The return on these funds has an impact on the size of the investments backing unit-linked policies, on which the Group receives fee income. If the return on these funds does not match the guaranteed return, there is a resulting loss for the Group.

The table below shows investment income for the Group's policyholder risk portfolio for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	**2014**	**2013(1)**
	(EUR million)		
Interest income	135.4	129.0	152.7
Dividends	115.3	111.1	77.3
Movements in the fair value of investments classified as other than trading	612.1	1,453.4	576.1
Result from derivatives	11.1	-24.1	12.5
Total net investment income—at policyholders' risk	**873.9**	**1,669.3**	**818.7**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations" and "Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals"*.

Interest income

Interest income for the year ended 31 December 2015 was EUR 135.4 million, an increase of EUR 6.4 million, or 5.0%, compared with EUR 129.0 million for the year ended 31 December 2014. The increase was primarily due to an increase in size of the investment portfolio and interest rates.

Interest income for the year ended 31 December 2014 was EUR 129.0 million, a decrease of EUR 23.7 million, or 15.5%, compared with EUR 152.7 million for the year ended 31 December 2013, as a result of lower returns from investments in debt instruments due to lower interest rates in 2014 compared to 2013.

Dividends

Dividends for the year ended 31 December 2015 were EUR 115.3 million, an increase of EUR 4.2 million, or 3.8%, compared with EUR 111.1 million for the year ended 31 December 2014. The increase was due to an increase in dividends received from investment funds as a result of improved economic conditions.

Dividends for the year ended 31 December 2014 were EUR 111.1 million, an increase of EUR 33.8 million, or 43.7%, compared with EUR 77.3 million for the year ended 31 December 2013 as a result of increased dividends from investment funds due to a reallocation of third party interests in 2014 related to a clarification following the changes in accounting policies for IFRS 10.

Movements in the fair value of investments classified as other than trading

Movements in the value of investments classified as other than trading for the year ended 31 December 2015 resulted in a gain of EUR 612.1 million, a decrease of EUR 841.3 million or 57.9%, compared with a gain of EUR 1,453.4 million for the year ended 31 December 2014. The decrease was primarily due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 30 September 2014.

Movements in the fair value of investments classified as other than trading for the year ended 31 December 2014 resulted in a gain of EUR 1,453.4 million, compared with a gain of EUR 576.1 million for the year ended 31 December 2013. The very significant gains in the fair value of investments classified as other than trading in 2014 were mainly due to lower interest rates in this year compared to 2013.

Expenses

The table below shows expenses for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	2014	2013(1)
	(EUR million)		
Expenses			
Net claims and benefits paid(2)	3,878.0	3,945.1	3,813.6
Total change in insurance liabilities, net of reinsurance	-213.8	6,974.5	-244.2
Charge to financial liability on behalf of third-party interest in consolidated investment funds	487.3	660.6	372.0
Expenses relating to the acquisition of insurance, investment and other contracts	621.4	618.8	680.3
Finance costs	362.5	493.7	425.6
Other operating expenses	788.8	716.0	658.9
Total expenses	**5,924.2**	**13,408.7**	**5,706.2**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(2) Net claims and benefits paid include profit sharing and discounts.

Net claims and benefits paid

Net claims and benefits paid for the year ended 31 December 2015 was EUR 3,878.0 million, a decrease of EUR 67.1 million, or 1.7%, compared with EUR 3,945.1 million for the year ended 31 December 2014. The small decrease reflects a series of miscellaneous expenses without specific identifiable changes when compared to the previous period.

Net claims and benefits paid for the year ended 31 December 2014 was EUR 3,945.1 million, an increase of EUR 131.5 million, or 3.4%, compared with EUR 3,813.6 million for the year ended 31 December 2013. Claims and benefits decreased by EUR 240.7 million in the Group's life insurance business segment and by a decrease by EUR 52 million in the Group's general insurance business segment.

Total change in insurance liabilities, net of reinsurance

Total change in insurance liabilities, net of reinsurance for the year ended 31 December 2015 was a decrease of EUR -213.8 million, compared to an increase of EUR 6,974.5 million for the year ended 31 December 2014. The decrease was due to the slight increase in interest rates during the year ended 31 December 2015, compared to the significant decrease in interest rates during the year ended 31 December 2014.

Total change in insurance liabilities, net of reinsurance for the year ended 31 December 2014 was an increase of EUR 6,974.5 million, compared with a decrease of EUR 244.2 million for the year ended 31 December 2013. The significant increase in liabilities for 2014 reflects movements in insurance liabilities attributable to a decrease in interest rates during 2014 compared to 2013.

Expenses relating to the acquisition of insurance, investment and other contracts

Expenses relating to the acquisition of insurance, investment and other contracts for the year ended 31 December 2015 were EUR 621.4 million, an increase of EUR 2.7 million compared with EUR 618.8 million for the year ended 31 December 2014. This increase was mainly due to the life insurance business segment.

Expenses relating to the acquisition of insurance, investment and other contracts for the year ended 31 December 2014 were EUR 618.8 million, a decrease of EUR 61.5 million, or 9.0%, compared with EUR 680.3 million for the year ended 31 December 2013. The decrease was due to a EUR 23.3 million decrease in the Group's life insurance business and a EUR 41.3 million decrease in the Group's general insurance business as a result of lower volumes of business in both segments.

Finance costs

Finance costs for the year ended 31 December 2015 were EUR 362.5 million, a decrease of EUR 131.2 million, or 26.6%, compared with EUR 493.7 million for the year ended 31 December 2014. The decrease was mainly due to a decrease in interest cost on financial liabilities, savings and demand deposits, issued bonds and interest on securitised mortgage loan notes of EUR 71.8 million, a decrease of subordinated debt by the general insurance business segment of EUR 41.9 million and a decrease in interest expenses on pensions of EUR 17.6 million.

Finance costs for the year ended 31 December 2014 were EUR 493.7 million, an increase of EUR 68.1 million, or 16.0%, compared with EUR 425.6 million for the year ended 31 December 2013. The increase was primarily due to new loans entered into in 2014 and an increase in the amount of interest paid on issued bonds and subordinated loans and, to a lesser extent, on securitised mortgage loan notes and pensions which, because it was the Group's own debt, did not benefit from the general low interest rate environment.

Other operating expenses

Other operating expenses for the year ended 31 December 2015 were EUR 788.8 million, an increase of EUR 72.8 million, or 10.2%, compared with EUR 716.0 million for the year ended 31 December 2014. The increase reflects mainly the addition of EUR 177 million for risk and charges relating to the sale of Delta Lloyd Deutschland and other assets.

Other operating expenses for the year ended 31 December 2014 were EUR 716.0 million, an increase of EUR 57.1 million, or 8.7%, compared with EUR 658.9 million for the year ended 31 December 2013. The increase was mainly due to increased expenses associated with the disposal of Delta Lloyd Bank Belgium.

Income tax

Income tax for the year ended 31 December 2015 was a charge of EUR 9.6 million, a decrease of EUR 78.2 million, compared with a credit of EUR 87.8 million for the year ended 31 December 2014. The decrease reflects the decreased results before tax and the effect of untaxed income on (un)realised gains and losses.

Income tax for the year ended 31 December 2014 was a credit of EUR 87.8 million, compared with a credit of EUR 36.5 million for the year ended 31 December 2013. The Group owns a large investment portfolio for which the gains and losses are subject to the participation exemption. See "*Taxation—Certain Dutch Tax Considerations—General*". This will affect the effective corporate income tax rate.

Net result

Net result for the year ended 31 December 2015 was EUR 140.2 million, a decrease of EUR 262.6 million, compared with a net result of EUR 402.8 million and EUR 221.4 million for the years ended 31 December 2014 and 2013, respectively.

Results of Operations for the Life Insurance Business Segment

The table below shows the results of operations for the Group's life insurance business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014[1]	2013[2]
	(EUR million)		
Income			
Gross written premiums	2,683.7	2,626.6	3,589.2
Net earned premiums	**2,624.0**	**2,563.2**	**3,521.4**
Fee and commission income	97.2	88.1	61.8
Net investment income			
Interest income	1,291.5	1,285.3	1,302.5
Net rental income	74.1	83.1	118.3
Dividends	242.4	238.6	271.9
Movements in the fair value of investments classified as held for trading	-5.1	-1.2	2.6
Movements in the fair value of investments classified as other than trading	229.1	6,131.9	-56.5
Realised gains and losses on investments classified as available for sale	251.0	138.8	177.6
Impairment of investments classified as available for sale	-21.1	-27.8	-81.7
Reversal of impairment of investments classified as available for sale	—	—	—
Result from loans and receivables	6.8	1.8	-0.6
Impairment of loans and receivables	-17.6	-14.7	-8.7
Reversal of impairment of loans and receivables	21.3	0.3	3.0
Result from derivatives	-665.2	1,490.6	-905.5
Other investment income	-4.3	20.9	-152.8
Share of profit or loss after tax of associates	75.3	73.4	-14.6
Total investment income	**1,478.3**	**9,421.0**	**655.6**
Other income	901.0	3.1	52.9
Total income	**4,208.6**	**12,075.5**	**4,291.7**
Total intercompany income	74.2	117.2	71.9
Revenue from external customers	**4,134.4**	**11,958.3**	**4,219.8**
Result after tax and minority non-controlling interests	189.9	482.0	163.9
Net Operational Result	**591.8**	**362.0**	**318.5**
Expenses			
Net claims and benefits paid[3]	**2,994.1**	**3,049.7**	**3,290.4**
Total change in insurance liabilities, net of reinsurance	**-157.0**	**7,128.2**	**-295.9**
Charge to financial liability on behalf of third-party interest in investment funds	**487.3**	**660.6**	**372.0**
Expenses relating to the acquisition of insurance, investment and other contracts	**311.7**	**292.3**	**315.6**
Total finance costs	**183.1**	**184.9**	**173.5**
Staff costs and other employee-related expenditures	129.4	129.2	137.8
Amortisation of intangible fixed assets	8.9	7.4	7.0
Depreciation of property and equipment	2.6	3.1	3.7
Operating expenses	169.4	141.4	159.7
Gains and losses on disposals	—	—	—
Impairment of AVIF	—	—	—
Impairment of other intangible fixed assets	-0.1	—	—
Impairment of property and equipment	0.4	2.5	4.2
Impairment of receivables	1.3	1.2	0.9
Reversal of impairment of receivables	-1.2	-1.2	-2.2
Foreign exchange difference	—	—	—
Allocated to expenses relating to the acquisition of insurance, investment and other contracts	-102.3	-93.9	-79.8
Total other operating expenses	**208.4**	**189.7**	**231.3**
Total expenses	**4,027.7**	**11,505.4**	**4,086.9**
Income tax	-10.1	82.6	19.4

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".
(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals"*.
(3) Net claims and benefits paid include profit sharing and discounts.

Income

GWP

The table below shows GWP for the Group's life insurance business segment in the Netherlands, including the Group's primary brands in the Netherlands, as well as for Belgium and Germany for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	**2014(1)**	**2013(2)**
		(EUR million)	
The Netherlands			
Delta Lloyd/OHRA	1,628.9	1,591.0	2,231.1
ABN AMRO Insurance	296.7	320.0	361.7
Other	-44.3	-47.6	-51.7
Total the Netherlands	1,881.3	1,863.4	2,541.1
Belgium	802.3	763.2	788.6
Germany	—	—	259.5
Total gross written premiums	**2,683.7**	**2,626.6**	**3,589.2**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".
(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see *"Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals"*.

GWP for the Group's life insurance business segment for the year ended 31 December 2015 were EUR 2,683.7 million, an increase of EUR 57.0 million, or 2.2%, compared with EUR 2,626.6 million for the year ended 31 December 2014. The increase is primarily attributable to growth in defined contribution policies.

GWP for the Group's life insurance business segment for the year ended 31 December 2014 were EUR 2,626.6 million, a decrease of EUR 962.5 million, or 26.8%, compared with EUR 3,589.2 million for the year ended 31 December 2013. The decrease was due to a EUR 677.6 million decrease in GWP in the Group's life insurance business in the Netherlands. The decrease was mainly due to a decline in single premium business as the Group concentrated on its more profitable annual premium business.

The Netherlands

Delta Lloyd/OHRA

The table below shows GWP for the Delta Lloyd and OHRA brand life insurance businesses broken down by annual and single premium life insurance policies for individuals and groups for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014[(1)]**	**2013[(2)]**
		(EUR million)	
Annual premium			
Individual policies	258.0	275.6	311.8
Group policies	779.0	720.2	666.6
Total annual premium	1,037.0	995.8	978.4
Single premium			
Individual policies	290.2	165.1	292.7
Group policies	291.1	419.4	954.7
Total single premium	581.3	584.5	1,247.4
Inward reinsurance	10.5	10.7	5.3
Total gross written premiums	**1,628.9**	**1,591.0**	**2,231.1**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals"*.

GWP for the Delta Lloyd and OHRA brand life insurance businesses for the year ended 31 December 2015 were EUR 1,628.9 million, an increase of EUR 37.8 million, or 2.4%, compared with EUR 1,591.0 million for the year ended 31 December 2014. The increase reflects mainly an increase in single premium individual policy business.

GWP for the Delta Lloyd and OHRA brand life insurance businesses for the year ended 31 December 2014 were EUR 1,591.0 million, a decrease of EUR 640.0 million, or 28.7%, compared with EUR 2,231.1 million for the year ended 31 December 2013. The decrease was due to lower single premium contracts as a result of a lower number of pension buyouts, partly offset by higher annual premium income.

ABN AMRO Insurance

The table below shows GWP for the ABN AMRO Insurance brand life insurance business broken down by annual and single premium life insurance policies for individuals and groups for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014[(1)]**	**2013[(2)]**
		(EUR million)	
Annual premium			
Individual policies	234.4	248.3	267.2
Group policies	3.6	3.7	10.4
Total annual premium	237.9	252.1	277.5
Single premium			
Individual policies	58.4	67.1	82.3
Group policies	0.0	0.3	1.6
Total single premium	58.4	67.4	83.9
Inward reinsurance	0.4	0.5	0.3
Other differences			
Total gross written premiums	**296.7**	**320.0**	**361.7**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations" and "Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

GWP for the ABN AMRO Insurance brand life insurance for the year ended 31 December 2015 were EUR 296.7 million, a decrease of EUR 23.2 million, or 7.3%, compared with EUR 320.0 million for the year ended 31 December 2014. This was due to a decrease in annual premium individual policy business, mainly because this is a closed book portfolio, and a decrease in single premium business.

GWP for the ABN AMRO Insurance brand life insurance business for the year ended 31 December 2014 were EUR 320.0 million, a decrease of EUR 41.8 million, or 11.5%, compared with EUR 361.7 million for the year ended 31 December 2013. The decrease was due to a decrease of the closed book portfolio and an increased focus on margin over volume.

Belgium

The table below shows GWP for the Group's life insurance business in Belgium broken down by annual and single premium life insurance policies for individuals and groups for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014(1)**	**2013(2)**
	(EUR million)		
Annual premium			
Individual policies	136.1	138.4	103.2
Group policies	294.5	281.4	271.7
Total annual premium	430.6	419.8	374.9
Single premium			
Individual policies	169.5	179.7	186.3
Group policies	182.1	140.8	202.4
Total single premium	351.6	320.5	388.7
Inward reinsurance	20.1	23.0	25.0
Other differences			
Total gross written premiums	**802.3**	**763.2**	**788.6**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations" and "Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

GWP for the Group's life insurance business in Belgium for the year ended 31 December 2015 were EUR 802.3 million, an increase of EUR 39.1 million, or 5.1%, compared with EUR 763.2 million for the year ended 31 December 2014. The increase primarily reflects growth in the self-employed and unit-linked portfolio during this period. The decrease in single premium individual policies reflects the Group's shift towards capital light products and move away from focusing on guaranteed products towards unit-linked and protection products.

GWP for the Group's life insurance business in Belgium for the year ended 31 December 2014 were EUR 763.2 million, a decrease of EUR 25.4 million, or 3.2%, compared with EUR 788.6 million for the year ended 31 December 2013. The decrease was due to lower single premium contracts, despite higher annual premium income.

Total investment income

Total investment income for the Group's life insurance business segment for the year ended 31 December 2015 was EUR 1,478.3 million, a decrease of EUR 7,942.7 million or 84.3%, compared with EUR 9,421.0 million for the year ended 31 December 2014. This decrease in the year ended 31 December 2015 was mainly due to higher market interest rates causing an unrealised loss on the fixed income portfolio and a negative result on derivatives.

Total investment income for the Group's life insurance business segment for the year ended 31 December 2014 was EUR 9,421.0 million, an increase of EUR 8,765.4 million compared with EUR 655.6 million for the year ended 31 December 2013. This very significant increase reflected the significant positive impact of realised and unrealised fair value changes in debt securities and derivatives over the period due to lower interest rates, as interest rate levels declined in 2014 compared to 2013.

Fee and commission income

Fee and commission income for the Group's life insurance business segment for the year ended 31 December 2015 was EUR 97.2 million, an increase of EUR 9.1 million or 10.3%, compared with EUR 88.1 million for the year ended 31 December 2014. The increase mainly reflects a one-off commission result and higher commission income, due to increased unit-linked premiums in the Group's life insurance business segment in Belgium.

Fee and commission income for the Group's life insurance business segment for the year ended 31 December 2014 was EUR 88.1 million, an increase of EUR 26.3 million, or 42.6%, compared with EUR 61.8 million for the year ended 31 December 2013. The increase was due to increased sales of unit-linked policies (without profit sharing) on which the Group earns fee and commission income.

Other income

Other income for the Group's life insurance business segment for the year ended 31 December 2015 was a gain of EUR 9.1 million, an increase of EUR 6.0 million, compared with other income of EUR 3.1 million for the year ended 31 December 2014. The increase was mainly due to income generated by the inflow and outflow of funds.

Other income for the Group's life insurance business segment for the year ended 31 December 2014 was EUR 3.1 million, a decrease of EUR 49.8 million, compared with EUR 52.9 million for the year ended 31 December 2013. Other income decreased significantly for the Delta Lloyd brand life insurance business and Belgium. The decrease for the Delta Lloyd brand life insurance business was due to the bad will recorded in 2013 at Delta Lloyd Life Belgium relating to the acquisition of ZA Verzekeringen.

Expenses

Net claims and benefits paid

The table below shows net claims and benefits paid for the Group's life insurance business in the Netherlands, including the Group's three primary brands in the Netherlands, as well as for Belgium and Germany for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	**2014[(1)]**	**2013[(2)]**
		(EUR million)	
The Netherlands			
Delta Lloyd/OHRA	1,949.1	1,971.1	2,089.4
ABN AMRO Insurance	577.4	574.0	560.4
Other[(3)]	-110.7	-25.9	-323.3
Total the Netherlands	2,415.9	2,519.2	2,326.6
Belgium	578.2	530.5	539.6
Germany	—	—	424.2
Net claims and benefits paid[(4)]	**2,994.1**	**3,049.7**	**3,290.4**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "I*mportant Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(3) Represents GWP that the Group pays on behalf of its employees.
(4) Net claims and benefits paid include profit sharing and discounts.

Net claims and benefits paid for the Group's life insurance business segment for the year ended 31 December 2015 were EUR 2,994.1 million, a decrease of EUR 55.6 million, or 1.8%, compared with EUR 3,049.7 million for the year ended 31 December 2014. The decrease reflects a lower level of pension contract cancellations resulting in lower pay-outs.

Net claims and benefits paid for the Group's life insurance business segment for the year ended 31 December 2014 were EUR 3,049.7 million, a decrease of EUR 240.7 million, or 7.3%, compared with EUR 3,290.4 million for the year ended 31 December 2013. The decrease reflects fewer pension contracts, which leads to lower claims and benefit pay-outs.

The Netherlands

Delta Lloyd/OHRA

Net claims and benefits paid for the Delta Lloyd and OHRA brand life insurance business for the year ended 31 December 2015 were EUR 1,949.1 million, a decrease of EUR 22 million, or 1.1%, compared with EUR 1,971.1 million for the year ended 31 December 2014. The decrease was primarily a result of a higher level of pension contract cancellations.

Net claims and benefits paid for the Delta Lloyd and OHRA brand life insurance businesses for the year ended 31 December 2014 were EUR 1,971.1 million, a decrease of EUR 118.4 million, or 5.7%, compared with EUR 2,089.4 million for the year ended 31 December 2013. The decrease was largely due to a lower level of pension contract cancellations resulting in lower pay-outs.

ABN AMRO Insurance

Net claims and benefits paid for the ABN AMRO Insurance brand life insurance business for the year ended 31 December 2015 were EUR 577.4 million, an increase of EUR 3.4 million, or 0.6%, compared with EUR 574.0 million for the year ended 31 December 2014. The increase was a result of a higher level of policy lapses and a less favourable technical result for mortality.

Net claims and benefits paid for the ABN AMRO Insurance brand life insurance business for the year ended 31 December 2014 were EUR 574.0 million, an increase of EUR 14.4 million, or 2.6%, compared with EUR 560.4 million for the year ended 31 December 2013. The increase was largely due to a higher level of policy lapses and a less favourable technical result for mortality.

Belgium

Net claims and benefits paid for the Group's life insurance business in Belgium for the year ended 31 December 2015 were EUR 578.2 million, an increase of EUR 47.7 million, or 9.0%, compared with EUR 530.5 million for the year ended 31 December 2014. The increase was mainly due to an increase in individual end of term contracts and early contract surrenders in the unit-linked business.

Net claims and benefits paid for the Group's life insurance business in Belgium for the year ended 31 December 2014 were EUR 530.5 million, a decrease of EUR 9.1 million, or 1.7%, compared with EUR 539.6 million for the year ended 31 December 2013. The decrease was due to a decrease in individual end of term contracts, early contract surrenders and lower claims.

Total change in insurance liabilities, net of reinsurance

The table below shows the change in insurance liabilities, net of reinsurance for the Group's life insurance business in the Netherlands, including the Group's three primary brands in the Netherlands, as well as for Belgium and Germany for the years ended 31 December 2015, 2014 and 2013.

	Year ended 31 December		
	2015	2014(1)	2013(2)
		(EUR million)	
The Netherlands			
Delta Lloyd/OHRA	-105.9	5,973.1	558.4
ABN AMRO Insurance	-231.6	49.0	-31.5
Other(3)	111.5	-642.5	323.6
Total the Netherlands	-226.1	5,379.6	-266.3
Belgium	69.1	1,748.6	-16.4
Germany	—	—	-13.2
Total change in insurance liabilities, net of reinsurance	**-156.9**	**7,128.2**	**-295.9**

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(3) Represents GWP that the Group pays on behalf of its employees.

The change in insurance liabilities for the Group's life insurance business segment for the year ended 31 December 2015 was a decrease of EUR 156.9 million, compared with an increase of EUR 7,128.2 million for the year ended 31 December 2014. The 2015 reduction reflects a higher market interest rate curve, compared to a lower market interest rate curve in 2014.

The change in insurance liabilities for the Group's life insurance business segment for the year ended 31 December 2014 was an increase of EUR 7,128.2 million, compared with a decrease of EUR 295.9 million for the year ended 31 December 2013. The 2014 change was due to a lower Collateralised AAA curve. A lower discount rate will increase the overall value of the insurance liabilities while a higher discount rate reduces the value of the insurance liabilities. The change in 2013 was primarily due to a higher Collateralised AAA curve.

The Netherlands

The change in insurance liabilities for the Group's life insurance business in the Netherlands for the year ended 31 December 2015 was a decrease of EUR 226.1 million, compared with an increase of EUR 5,379.6 million for the year ended 31 December 2014. The Collateralised AAA curve was used for the valuation of the life insurance liabilities. The difference in the change in life insurance liabilities in 2015 compared to 2014 is mainly due to the considerable decrease of interest rates in 2014, compared with a slight increase in 2015.

The change in insurance liabilities for the Group's life insurance business in the Netherlands for the year ended 31 December 2014 was an increase of EUR 5,379.6 million, compared with a decrease of EUR 266.3 million for the year ended 31 December 2013. The overall change in 2014 was driven by a significant decrease of the Collateralised AAA curve. The difference in the change in life insurance liabilities in 2014 compared to 2013 is mainly due to the considerable decrease of interest rates in 2014, compared with a slight increase in 2013.

Belgium

The change in insurance liabilities for the Group's life insurance business in Belgium for the year ended 31 December 2015 was an increase of EUR 69.1 million, compared with an increase of EUR 1,748.6 million for the year ended 31 December 2014. The change in 2015 was a result of a slight increase in market interest rates, partly offset by method and assumption setting cycle effects. The change in 2014 was mainly a result of a decrease in market interest rates.

The change in insurance liabilities for the Group's life insurance business in Belgium for the year ended 31 December 2014 was an increase of EUR 1,748.6 million, compared with a decrease of EUR -16.4 million for the year ended 31 December 2013. The change in 2014 was due to a lower Collateralised AAA curve.

Expenses relating to the acquisition of insurance, investment and other contracts

Expenses relating to the acquisition of insurance, investment and other contracts for the Group's life insurance business segment for the year ended 31 December 2015 were EUR 311.7 million, an increase of EUR 19.4 million, or 6.6%, compared with EUR 292.3 million for the year ended 31 December 2014. The change was mainly a result of higher fee expenses due to increased investments in the investment fund *Europees Deelnemingen Fonds* and the consolidation of the Delta Lloyd Mezzanine Fund and Delta Lloyd Global Property Index Fund.

Expenses relating to the acquisition of insurance, investment and other contracts for the Group's life insurance business segment for the year ended 31 December 2014 were EUR 292.3 million, a decrease of EUR 23.3 million, or 7.4%, compared with EUR 315.6 million for the year ended 31 December 2013. The lower expenses in 2014 reflected lower production in 2014 compared to 2013.

Finance costs

Finance costs for the Group's life insurance business segment for the year ended 31 December 2015 were EUR 183.1 million, a decrease of EUR 1.8 million, or 1.0%, compared with EUR 184.9 million for the year ended 31 December 2014, which can largely be attributed to a change in presentation and the unwind of discounts, from finance costs to insurance liabilities.

Finance costs for the Group's life insurance business segment for the year ended 31 December 2014 were EUR 184.9 million, an increase of EUR 11.4 million, or 6.5%, compared with EUR 173.5 million for the year ended 31 December 2013. The increase was primarily due to increases in the interest expenses of pension obligations which are calculated using a discount rate at 1 January 2014 which was higher than at 1 January 2013 and increased interest expenses related to an intercompany subordinated loan from Delta Lloyd N.V. to DLL (the "Intercompany Subordinated Loan").

Other operating expenses

Other operating expenses for the Group's life insurance business segment for the year ended 31 December 2015 were EUR 208.4 million, an increase of EUR 18.7 million, or 9.9%, compared with EUR 189.7 million for the year ended 31 December 2014. The change was mainly a result of a fine from DNB (EUR 22.6 million).

Other operating expenses for the Group's life insurance business segment for the year ended 31 December 2014 were EUR 189.7 million, a decrease of EUR 41.6 million, or 17.9%, compared with EUR 231.3 million for the year ended 31 December 2013. The decrease was primarily due to the changes in accounting policies for IFRS 10 resulting in increased other operating expenses being reclassified as expenses relating to the acquisition of insurance, investment and other contracts. For further information on this restatement see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals.*"

Results of Operations for the General Insurance Business Segment

The table below shows the results of operations and certain operating data for the Group's general insurance business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013[(1)]
	(EUR million)		
Income			
Gross written premiums	1,354.7	1,336.7	1,427.8
Net earned premiums	**1,252.3**	**1,124.1**	**1,390.2**
Fee and commission income	54.3	61.4	62.0
Net investment income			
Interest income	46.5	60.5	60.7
Dividends	7.4	5.8	8.4
Movements in the fair value of investments classified as other than trading	-10.2	46.5	-7.7
Realised gains and losses on investments classified as available for sale	30.2	91.9	32.8
Impairment of investments classified as available for sale	-2.3	-1.1	14.5
Reversal of impairment of investments classified as available for sale	—	0.3	0.3
Result from loans and receivables	—	0.1	-0.2
Result from derivatives	-18.1	-45.1	20.8
Other investment income	—	—	—
Share of profit or loss after tax of associates	0.3	—	—
Total investment income	**53.9**	**159.0**	**129.7**
Other income	-0.2	-3.7	1.2
Total income	**1,360.4**	**1,340.8**	**1,583.1**
Total intercompany income	0.2	0.4	2.1
Revenue from external customers	**1,360.4**	**1,340.4**	**1,581.0**
Result after tax and non-controlling interests	52.7	56.2	39.8
Net Operational Result	**68.6**	**85.0**	**66.6**
Expenses			
Net claims and benefits paid[(3)]	**883.9**	**895.4**	**947.4**
Total change in insurance liabilities, net of reinsurance	**-56.9**	**-153.7**	**38.6**
Expenses relating to the acquisition of insurance, investment and other contracts	**334.6**	**341.5**	**382.8**
Total finance costs	**12.5**	**55.1**	**27.1**
Staff costs and other employee-related expenditures	111.6	108.2	112.7
Amortisation of intangible fixed assets	1.3	1.3	1.7
Depreciation of property and equipment	—	—	—
Operating expenses	114.3	130.6	133.1
Impairment of receivables	6.7	5.8	4.5
Reversal of impairment of receivables	-5.2	-5.0	-2.0
Allocated to expenses relating to the acquisition of insurance, investment and other contracts	-125.9	-131.2	-135.2
Total other operating expenses	**102.8**	**109.8**	**114.7**
Total expenses	**1,277.0**	**1,248.0**	**1,510.5**
Income tax	19.4	23.1	14.7
Claims ratio	65.7%	64.2%	66.6%
Expense ratio	14.0%	14.4%	14.0%
Commission ratio	16.6%	15.9%	17.2%
Combined ratio[(2)]	**96.2%**	**94.5%**	**97.7%**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see *"Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(2) Combined ratio is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.
(3) Net claims and benefits paid include profit sharing and discounts.

Income

GWP

The table below shows GWP for the Group's general insurance business in the Netherlands, including the Group's primary brands in the Netherlands, as well as Belgium, for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013(1)
	(EUR million)		
The Netherlands			
Delta Lloyd/OHRA	1,090.6	1,073.5	1,150.7
ABN AMRO Insurance	264.0	263.2	262.2
Total the Netherlands	1,354.7	1,336.7	1,412.8
Belgium	—	—	15.0
Total gross written premiums	**1,354.7**	**1,336.7**	**1,427.8**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

GWP for the Group's general insurance business segment for the year ended 31 December 2015 were EUR 1,354.7 million, an increase of EUR 18.0 million, or 1.3%, compared with EUR 1,336.7 million for the year ended 31 December 2014, primarily due to increased premiums distributed by authorised agents as a result of higher market share and positive developments at property and casualty.

GWP for the Group's general insurance business segment for the year ended 31 December 2014 were EUR 1,336.7 million, a decrease of EUR 91.1 million, or 6.4%, compared with EUR 1,427.8 million for the year ended 31 December 2013. This decrease was driven principally by the run-off from the international marine portfolio which was placed in run-off in 2012, the Group's gradual exit from the partial disability scheme, a private insurance scheme for partially and/or disabled individuals ("WGA ER"), and stricter underwriting discipline and focus on margins rather than volumes.

The Netherlands

Delta Lloyd/OHRA

GWP for the Delta Lloyd and OHRA brand general insurance businesses for the year ended 31 December 2015 were EUR 1,090.6 million, an increase of EUR 17.1 million, or 1.6%, compared with EUR 1,073.5 for the year ended 31 December 2014, primarily due to increased premiums distributed by authorised agents as a result of higher market share.

GWP for the Delta Lloyd and OHRA brand general insurance businesses for the year ended 31 December 2014 were EUR 1,073.5 million, a decrease of EUR 77.1 million, or 6.7%, compared with EUR 1,150.7 million for the year ended 31 December 2013. This decrease was due to the run-off from the international marine portfolio, the Group's gradual exit from WGA ER, and stricter underwriting discipline and focus on margins rather than volumes.

ABN AMRO Insurance

GWP for the ABN AMRO Insurance brand general insurance business for the year ended 31 December 2015 were EUR 264.0 million, an increase of EUR 0.8 million, or 0.3%, compared with EUR 263.2 million for the year ended 31 December 2014.

GWP for the ABN AMRO Insurance brand general insurance business for the year ended 31 December 2014 were EUR 263.2 million, an increase of EUR 1.0 million, or 0.4%, compared with EUR 262.2 million for the year ended 31 December 2013. The increase was due to an increase in motor and travel insurance of EUR 5.5 million, offset in part by a decrease due to the transfer of a corporate clients portfolio and the disability insurance portfolio to the Group.

Total investment income

Total investment income for the Group's general insurance business segment for the year ended 31 December 2015 was EUR 53.9 million, a decrease of EUR 105.1 million, or 66.1%, compared with EUR 159.0 million for the year ended 31 December 2014. The change was due to a decrease in realised gains and losses on investments available for sale and a decrease in unrealised gains and losses on the other than trading portfolio. Interest rates increased during 2015, which resulted in lower fair value of debt securities.

Total investment income for the Group's general insurance business for the year ended 31 December 2014 was EUR 159.0 million, an increase of EUR 29.3 million, compared with EUR 129.7 million for the year ended 31 December 2013. The change reflected mainly a better performance of the fixed income portfolio due to lower interest rates.

Other income

Other income for the Group's general insurance business for the year ended 31 December 2015 was a loss of EUR 0.2 million, compared with a loss of EUR 3.7 million for the year ended 31 December 2014.

Other income for the Group's general insurance business for the year ended 31 December 2014 was a loss of EUR 3.7 million, a decrease of EUR 4.9 million, compared with income of EUR 1.2 million for the year ended 31 December 2013. The change reflected a one-off result in the Delta Lloyd/OHRA business line.

Expenses

Net claims and benefits paid

The table below shows net claims and benefits paid for the Group's general insurance business in the Netherlands and Belgium (2013 only), and the Group's primary brands in the Netherlands for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014**	**2013(1)**
	(EUR million)		
The Netherlands			
Delta Lloyd/OHRA	735.6	746.7	791.1
ABN AMRO Insurance	148.2	148.7	145.3
Total the Netherlands	883.9	895.4	936.5
Belgium	—	—	10.9
Net claims and benefits paid	**883.9**	**895.4**	**947.4**

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Net claims and benefits paid for the Group's general insurance business segment for the year ended 31 December 2015 were EUR 883.9 million, a decrease of EUR 11.5 million, or 1.3%, compared with EUR 895.4 million for the year ended 31 December 2014. The change was due to the run-off of the international marine portfolio.

Net claims and benefits paid for the Group's general insurance business segment for the year ended 31 December 2014 were EUR 895.4 million, a decrease of EUR 52.0 million, or 5.5%, compared with EUR 947.4 million for the year ended 31 December 2013. The decrease is due to the run-off effect in the international marine portfolio.

The Netherlands

Delta Lloyd/OHRA

Net claims and benefits paid for the Delta Lloyd and OHRA brand general insurance businesses for the year ended 31 December 2015 were EUR 735.6 million, a decrease of EUR 11.1 million, or 1.5%, compared with EUR 746.7 million for the year ended 31 December 2014. The decrease was due to the run-off of the international marine portfolio.

Net claims and benefits paid for the Delta Lloyd and OHRA brand general insurance businesses for the year ended 31 December 2014 were EUR 746.7 million, a decrease of EUR 44.4 million, or 5.6%, compared with EUR 791.1 million for the year ended 31 December 2013. The decrease reflected the run-off effect in the international marine portfolio.

ABN AMRO Insurance

Net claims and benefits paid for the ABN AMRO Insurance brand general insurance business for the year ended 31 December 2015 were EUR 148.2 million, a decrease of EUR 0.5 million, or 0.3%, compared with EUR 148.7 million for the year ended 31 December 2014. The decrease was due to the different timing of the closing of claims and payments of benefits compared with the prior period.

Net claims and benefits paid for the ABN AMRO Insurance brand general insurance business for the year ended 31 December 2014 were EUR 148.7 million, an increase of EUR 3.4 million, or 2.3%, compared with EUR 145.3 million for the year ended 31 December 2013. The increase was due to higher claims for the fire insurance portfolio and an increase in claim expenses due to an increase in number of policies.

Belgium

The Group did not have any claims and benefits paid for its general insurance business in Belgium for the years ended 31 December 2015 and 2014 as it had sold its general insurance business in Belgium to Fidea in 2013 and transferred the small remaining general insurance portfolio in Belgium to the Belgian life insurance business segment in 2014.

Total change in insurance liabilities, net of reinsurance

The total change in insurance liabilities, net of reinsurance for the Group's general insurance business segment for the year ended 31 December 2015 was EUR 56.9 million, compared with EUR 153.7 million for the year ended 31 December 2014. The change was mainly due to the run-off effect of the international marine portfolio, where 100% of the run-off risk was transferred to a reinsurer.

The total change in insurance liabilities, net of reinsurance for the Group's general insurance business segment for the year ended 31 December 2014 was EUR 153.7 million, compared with EUR 38.6 million for the year ended 31 December 2013. The decrease was mainly due to the run-off effect of the international marine portfolio, where 100% of the run-off risk was transferred to a reinsurer.

Expenses relating to the acquisition of insurance, investment and other contracts

Expenses relating to the acquisition of insurance, investment and other contracts for the Group's general insurance business segment for the year ended 31 December 2015 were EUR 334.6 million, a decrease of EUR 6.9 million, or 2.0%, compared with EUR 341.5 million for the year ended 31 December 2014. The decrease was primarily due to decreased acquisition expenses and a reduction in expenses related to the implementation of an improved method of assessing unearned premium reserves for certain portfolios in 2014.

Expenses relating to the acquisition of insurance, investment and other contracts for the Group's general insurance business segment for the year ended 31 December 2014 were EUR 341.5 million, a decrease of EUR 41.3 million, or 10.8%, compared with EUR 382.8 million for the year ended 31 December 2013. The decrease was primarily due to lower premium income from the international marine portfolio, WAG ER and a stricter underwriting discipline and focus on margins rather than volumes.

Other operating expenses

Other operating expenses for the Group's general insurance business segment for the year ended 31 December 2015 were EUR 102.8 million, a decrease of EUR 7.0 million, or 6.3%, compared with EUR 109.8 million for the year ended 31 December 2014, due mainly to lower service level agreements as a result of the Group's cost saving programme and lower strategic project costs in 2015.

Other operating expenses for the Group's general insurance business segment for the year ended 31 December 2014 were EUR 109.8 million, a decrease of EUR 4.9 million, or 4.3%, compared with EUR 114.7 million for the year ended 31 December 2013, due mainly to decreased staff and other related expenditures.

Operating ratios

The table below shows the claims ratio, expense ratio and commission ratio, each of which is expressed as a percentage of net earned premiums, for the Group's general insurance business for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013
	(EUR million, unless otherwise stated)		
Net earned premiums	1,252.3	1,277.3	1,347.0
Combined ratio[(1)]	**96.2%**	**94.5%**	**97.7%**
Claims ratio	65.7%	64.2%	66.6%
Expense ratio	14.0%	14.4%	14.0%
Commission ratio	16.6%	15.9%	17.2%

(1) Combined ratio is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.

The COR was 1.8% percentage points higher in the year ended 31 December 2015 than in the year ended 31 December 2014. This was due to higher claims and commission ratios, partly offset by lower expenses.

The COR was 94.5% for the year ended 31 December 2014, a decrease of 3.3 percentage points, compared with a COR of 97.7% for the year ended 31 December 2013. The COR was positively impacted by lower claims costs due to better claims management, combined with stricter underwriting and pricing.

Claims ratio

The claims ratio for the Group's general insurance business segment for the year ended 31 December 2015 was 65.7%, an increase of 1.5 percentage points, compared with a claims ratio of 64.2% for the year ended 31 December 2014. The increase primarily reflects a higher claims ratio related to the Group's income and absenteeism, and transport insurance products, offset due to the use of improved premium data in the co-insurance portfolio in 2014.

The claims ratio for the Group's general insurance business segment for the year ended 31 December 2014 was 64.2%, a decrease of 2.5 percentage points compared with 66.6% for the year ended 31 December 2013. The decrease reflects lower claims costs due to better claims management, combined with stricter underwriting and pricing (improved premium data in the co-insurance portfolio).

Expense ratio

The expense ratio for the Group's general insurance business segment for the year ended 31 December 2015 was 14.0%, a decrease of 0.4 percentage points, compared with an expense ratio of 14.4% for the year ended 31 December 2014. The decrease in the expense ratio is due to lower expenses derived from the Group's motor insurance products.

The expense ratio for the Group's general insurance business segment for the year ended 31 December 2014 was 14.4%, an increase of 0.4 percentage points, compared with 14.0% for the year ended 31 December 2013.

Commission ratio

The commission ratio for the Group's general insurance business segment for the year ended 31 December 2015 was 16.6%, an increase of 0.6 percentage points, compared with a commission ratio of 15.9% for the year ended 31 December 2014. The increase is driven by higher commissions from the Group's fire and transport insurance products.

The commission ratio for the Group's general insurance business segment for the year ended 31 December 2014 was 15.9%, a decrease of 1.2 percentage points, compared with 17.2% for the year ended 31 December 2013. This change was primarily due to the lower levels of GWP, resulting in lower commissions.

Results of Operations for the Asset Management Business Segment

The table below shows the results of operations for the Group's asset management business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015(1)	2014(1)	2013(2)
	(EUR million)		
Income			
Fee and commission income	143.6	118.8	142.8
Net investment income			
Interest income	—	—	18.4
Movements in the fair value of investments classified as other than trading	—	—	1.4
Result from derivatives	—	0.1	2.8
Share of profit or loss after tax of associates	0.1	0.1	-0.1
Total investment income	**0.1**	**0.1**	**22.5**
Total income	**143.6**	**118.9**	**165.3**
Total intercompany income	21.3	18.2	36.3
Revenue from external customers	**122.3**	**100.7**	**129.0**
Result after tax and non-controlling interests	34.6	17.0	40.0
Net Operational Result	**42.6**	**20.0**	**44.9**
Expenses			
Expenses relating to the acquisition of fund management contracts	**43.9**	**49.1**	**60.0**
Total finance costs	**0.1**	**—**	**3.6**
Staff costs and other employee-related expenditures	26.3	26.2	26.2
Amortisation of intangible fixed assets	2.5	2.5	2.5
Depreciation of property and equipment	—	—	—
Operating expenses	24.3	18.1	19.5
Total other operating expenses	**53.1**	**46.8**	**48.2**
Total expenses	**97.0**	**96.0**	**111.8**
Income tax	11.9	5.9	13.6

(1) The figures for the years ended 31 December 2015 and 2014 for the asset management business segment have been adjusted following the segment reclassification of Delta Lloyd Treasury from the asset management segment to the corporate and other activities segment.

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Income

Fee and commission income

Fee and commission income for the Group's asset management business segment for the year ended 31 December 2015 was EUR 143.6 million, an increase of EUR 24.8 million, or 20.8%, compared with EUR 118.8 million for the year ended December 2014. The total fee is based on assets under management (including third parties) at 31 December 2015, which was EUR 59.4 billion compared with EUR 72.1 billion at 31 December 2014.

Fee and commission income for the Group's asset management business segment for the year ended 31 December 2014 was EUR 118.8 million, a decrease of EUR 24 million, or 16.8%, compared with EUR 142.8 million for the year ended 31 December 2013. The decrease was primarily due to a reduction in asset management performance fees due to increased retail and institutional fund mandate outflows, which came to EUR 200 million for the year ended 31 December 2014, compared to net inflows of EUR 757 million for the year ended 31 December 2013. This was caused by growing demand in the market for equity funds rather than the Group's flagship fixed income funds and the termination of a large institutional mandate.

Expenses

Expenses relating to the acquisition of fund management contracts

Expenses relating to the acquisition of asset management contracts for the year ended 31 December 2015 were EUR 43.9 million, a decrease of EUR 5.2 million, or 10.6%, compared with EUR 49.1 million for the year ended 31 December 2014. The decrease was primarily due to one off expenses from DLL in 2014.

Expenses relating to the acquisition of fund management contracts for the year ended 31 December 2014 were EUR 49.1 million, a decrease of EUR 10.9 million, or 18.2%, compared with EUR 60 million for the year ended 31 December 2013, due to a decline in fee and commissions paid as a result of lower fee and commission income received from lower investment fund inflow.

Total other operating expenses

Total other operating expenses for the year ended 31 December 2015 were EUR 53.1 million, an increase of EUR 6.3 million, or 13.5%, compared with EUR 46.8 million for the year ended 31 December 2014. The increase was primarily due to higher external expenses related to Solvency II compliance programme requirements and higher expenses related to data licences associated with the asset management business.

Total other operating expenses for the asset management business segment for the year ended 31 December 2014 were EUR 46.8 million, a decrease of EUR 1.4 million, or 2.9%, compared with EUR 48.2 million for the year ended 31 December 2013. The increase was primarily due to an increase in operating expenses associated with the increase in assets under management which increased to EUR 85,254.0 million for the year ended 31 December 2014, an increase of EUR 7,527.0 million or 9.7% compared with EUR 77,727.0 million for the year ended 31 December 2013.

Results of Operations for the Banking Business Segment

The table below shows the results of operations for the Group's banking business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	**2014(1)**	**2013(2)**
	(EUR million)		
Income			
Fee and commission income	26.8	27.3	76.1
Net investment income			
Interest income	160.3	128.1	267.0
Dividends	—	—	—
Movements in the fair value of investments classified as held for trading	—	0.1	0.4
Movements in the fair value of investments classified as other than trading	4.3	37.4	29.0
Realised gains and losses on investments classified as available for sale	-0.2	7.4	-25.1
Impairment of investments classified as available for sale	—	—	-2.5
Reversal of impairment of investments classified as available for sale	—	7.0	—
Result from loans and receivables	0.7	0.3	—
Impairment of loans and receivables	-5.6	-4.8	-13.7
Reversal of impairment of loans and receivables	2.9	2.8	6.8
Result from derivatives	-1.5	-9.4	5.1
Other investment income	—	—	—
Total investment income	**160.9**	**168.6**	**266.9**
Other income	—	—	0.1
Total income	**187.6**	**195.9**	**343.0**
Total intercompany income	34.7	38.8	50.9
Revenue from external customers	**152.9**	**157.1**	**292.1**
Result after tax and non-controlling interests	37.7	34.0	-13.8
Net Operational Result	**41.6**	**12.1**	**23.6**
Expenses			
Expenses relating to the acquisition of insurance, investment and other contracts	**4.3**	**4.4**	**13.8**
Total finance costs	**78.4**	**80.5**	**151.0**
Staff costs and other employee-related expenditures	21.9	21.8	69.2
Amortisation of intangible fixed assets	0.1	0.1	1.1
Depreciation of property and equipment	—	—	2.7
Operating expenses	32.5	41.2	79.8
Gains and losses on disposals	—	—	0.1
Impairment of AVIF	—	—	12.8
Impairment of other intangible fixed assets	—	—	4.7
Impairment of property and equipment	—	—	19.2
Total other operating expenses	**54.6**	**63.2**	**189.6**
Total expenses	**137.3**	**148.1**	**354.4**
Income tax	12.6	13.8	2.5

(1) Segment figures at and for the year ended 31 December 2014 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*".

(2) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "I*mportant Information—Presentation of Financial and Other Information—Disposals of Operations"* and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Income

Fee and commission income

The fee and commission income for Delta Lloyd Bank Belgium is included in the Group's banking business segment results for 2013.

For the year ended 31 December 2015, fee and commission income for the Group's banking business segment was EUR 26.8 million, a decrease of EUR 0.5 million, or 1.8%, compared with EUR 27.3 million for the year ended 31 December 2014. The decrease was due to the cession of existing mortgages in 2014. The total amount of cessions in 2015 was lower than in 2014 resulting in a decreased intercompany provision.

Fee and commission income for the Group's banking business segment (including Delta Lloyd Bank Belgium) for the year ended 31 December 2014 was EUR 27.3 million, a decrease of EUR 48.8 million, or 64.1%, compared with EUR 76.1 million for the year ended 31 December 2013. The decrease was due to the sale of Delta Lloyd Bank Belgium and a reduction in assets under management.

Interest income

Interest income for the Group's banking business segment for the year ended 31 December 2015 was EUR 160.3 million, an increase of EUR 32.2 million, or 25.1%, compared with EUR 128.1 million for the year ended 31 December 2014. The increase was primarily due to increased interest income from mortgages.

Interest income for the Group's banking business segment for the year ended 31 December 2014 was EUR 128.1 million, a decrease of EUR 138.9 million, or 52%, compared with EUR 267.0 million for the year ended 31 December 2013. The decrease was partially due to the sale of Delta Lloyd Bank Belgium, reductions in consumer credit and a reduction in an intercompany loan.

Total investment income

All investment income is classified as income from trading in the Group's banking business segment.

Total investment income for the Group's banking business segment for the year ended 31 December 2015 was a gain of EUR 160.9 million, a decrease of EUR 7.7 million, compared with a gain of EUR 168.6 million for the year ended 31 December 2014. The decrease was primarily due to lower realised and unrealised gains on mortgages.

Total investment income for the Group's banking business segment for the year ended 31 December 2014 was EUR 168.6 million, a decrease of EUR 98.3 million, compared with EUR 266.9 million for the year ended 31 December 2013. The decrease was due to the sale of Delta Lloyd Bank Belgium.

Expenses

Staff costs and other employee related expenditures for the Group's banking business segment for the year ended 31 December 2015 were EUR 21.9 million, an increase of EUR 0.1 million, compared with EUR 21.8 million for the year ended 31 December 2014.

Staff costs and other employee related expenditures for the Group's banking business segment for the year ended 31 December 2014 were EUR 21.8 million, a decrease of EUR 47.4 million, or 68.5%, compared with EUR 69.2 million for the year ended 31 December 2013. The decrease was due to the sale of Delta Lloyd Bank Belgium.

Operational Result and Net Operational Result

Operational Result and Net Operational Result are derived from the audited consolidated financial statements but are not measures of financial performance under IFRS and should be considered in conjunction with the Group's IFRS results. The Group's net IFRS result is inherently volatile, principally as a result of the application of mark-to-market accounting since 2006. Given this volatility, net IFRS result is not viewed by the Group's management as an effective sole measure by which it can judge the operational performance of the Group.

Operational Result and Net Operational Result were developed as measures to capture the 'underlying' profitability of the Group. Until 2014, Operational Result and Net Operational Result included actual and presumed long-term investment returns, in addition to the operational technical result (the IFRS underwriting result, excluding non-operational items, which reflect one-off circumstances or are otherwise, in the judgement of management, not attributable to the ongoing business operations of the Group). LTIR for purposes of Operational Result and Net Operational Result were determined by utilising the last known interest rate (based on the 10-year point on the Collateralised AAA curve). The 'assumed interest rate' by means of this long-term investment return is not in line with the short-term investment returns recorded in the IFRS profits and losses of the Group. The Group therefore decided to reassess its definitions of Operational Result and Net Operational Result in 2014. After reassessing the Operational Result formula (and specifically the presumed long-term investment return), the Group replaced the long-term investment return with an investment spread (defined as the direct yield minus the cost of liabilities). The long-term investment return understated the actual 'locked-in' direct yield of stable long duration own risk assets. Direct yield is derived from the IFRS result, comprised of dividend income, real estate income, and interest income on fixed income and mortgages. Cost of liabilities includes the required interest on own risk life and general insurance liabilities and finance costs. The required interest on own risk life insurance liabilities is measured per period and can be calculated by multiplying the opening balance of the life insurance liabilities of each period by the 13-year point on the Collateralised AAA curve, which is used as a proxy for the average duration of the life insurance liabilities.

The Prospectus presents Operational Result and Net Operational Result for the year ended 31 December 2015 using the investment spread method, Operational Result and Net Operational Result for the year ended 31 December 2014 using each of the investment spread method, denoted as 2014 (InvSp) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2015), and the LTIR method, denoted as 2014 (LTIR) (which is comparable to Operational Result or Net Operational Result for the year ended 31 December 2013), and Operational Result and Net Operational Result for the year ended 31 December 2013 using the LTIR method. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement. For further information on the change to investment spread from LTIR, see the redefinition of operational result 2014 table in note 4.1.7.3 '*Segment Information*' included in the financial statements for the year ended 31 December 2015 incorporated by reference herein.

The current definitions of Operational Result and Net Operational Result include a number of elements that are not capital generative from a Solvency II standpoint. Accordingly, the Group has decided to introduce later in 2016 a new definition of Operational Result that is more aligned with Solvency II.

Calculation of Operational Result

The Group's Operational Result comprises the following elements:

- the *actual technical result of the life insurance business segment*, which consists of the margins earned on mortality, disability, lapses and expenses;
- the *actual technical result of the general insurance business segment*, which is the summation of all of the line items represented in the COR;
- the *results from the asset management, banking and other business segments*, adjusted for economic variances (that is, marked-to-market and the impacts of impairments) on the value of invested assets; and
- *adjustments to exclude non-operational items* which reflect one-off circumstances or are otherwise, in the judgement of management, not attributable to the ongoing business operations of the Group.

Investment spread (InvSp)

For 31 December 2015 and 2014 (InvSp), Operational Result includes an investment spread (InvSp), based on actual earned direct yields on own risk assets, finance costs and presumed required interest on own risk insurance liabilities (i.e. the presumed annual additional interest requirements to cover life insurance policy provisions). The investment spread is composed of the following elements:

- the *direct yield* which comprises of dividend income, real estate income, and interest income on fixed income and mortgages;
- the *cost of liabilities*, which can be split into two elements; finance costs and required interest on own risk insurance liabilities;
- the *finance costs* which comprises of interest owed to credit institutions and other interest expenses due to financing arrangements. In the Operational Result definition, the Group's finance costs are mainly attributable to the life insurance, general insurance and other business segments; and
- the *required interest on own risk insurance liabilities*, which is measured per period by multiplying the opening balances of the own risk life insurance liabilities with the reference rate (13-year point on the Collateralised AAA curve).

For the years ended 31 December 2015 and 2014 (Inv Sp), the table below shows the relevant items for calculating the required interest on own risk life insurance liabilities:

	At 31 December	
	2015	2014 (Inv Sp)
	(EUR million, unless otherwise stated)	
First quarter opening balance(1)	34,991.9	29,193.6
Reference rate (%)(2)	1.17%	2.85%
Second quarter opening balance(1)	38,151.2	30,355.4
Reference rate (%)(2)	0.67%	2.46%
Third quarter opening balance(1)	34,974.8	31,687.8
Reference rate (%)(2)	1.44%	2.06%
Fourth quarter opening balance(1)	35,647.4	33,117.8
Reference rate(2)	1.29%	1.62%
Required interest on own risk life insurance liabilities	-407.6	-692.1

(1) Figures represent own risk life insurance liabilities.
(2) 13-year Collateralised AAA bond curve.

Life provisions for the year ended 31 December 2015 were EUR 35,639.5 million, compared with EUR 34,991.9 million for the year ended 31 December 2014.

Long-term investment return (LTIR)

For the years ended 31 December 2013, the Operational Result included a presumed long-term investment return (LTIR), in addition to the technical result. This calculation was also made for 2014. The LTIR consisted of:

- the *long-term investment return on shareholder assets*, which is given by the reference rate (10-year Collateralised AAA bond curve) on average shareholders' funds plus the risk margins earned on equities and real estate at own risk (3.5% for equity, 2.0% for property);
- the *long-term excess investment return on life policyholder assets*, which consists of a 20-basis point margin on average assets backing non-linked life insurance liabilities; and
- the *long-term investment return on general insurance policyholder assets*, which is given by the reference rate (10-year Collateralised AAA bond curve) on average assets backing technical liabilities.

The Group believes that the Operational Result is a key metric for evaluating the Group's overall Group financial performance, because it is less affected than IFRS measures of performance by short-term external market impacts, and thus in the Group's view provides a better basis for assessing trends in the operational performance of the Group over time.

As indicated above, two important elements used in calculating LTIR are the average level of shareholders' funds and the reference rate (10-year Collateralised AAA bond curve) for the relevant period. The table below shows these two items for the years ended 31 December 2015, 2014 and 2013:

	As at 31 December		
	2015	2014	2013
	(EUR million, unless otherwise stated)		
Shareholders' funds (EUR million)(1)	2,568.9	2,468.4	2,620.6
Reference rate (%)(2)	1.09%	0.88%	2.44%

(1) Net of minority interest.
(2) 10-year Collateralised AAA bond curve.

Calculation of Net Operational Result

Net Operational Result represents the Group's Operational Result after tax and minority interest. The figures for Net Operational Result presented in the Prospectus have been calculated by deducting from Operational Result (i) the actual amount of minority interest for the relevant period and (ii) illustrative tax at a rate of 25.0%. The tax rate employed for this purpose is the statutory corporate tax rate in the Netherlands. In practice, the actual tax rate applied by the Group in determining the level of its Net Operational Result will depend on a number of factors.

Analysis of Operational Result and Net Operational Result

The table below shows total Net Operational Result for the Group and for each business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	2014 (InvSp)[(1)]	2014 (LTIR)[(1)]	2013
	(EUR million)			
Life insurance	591.8	362.0	250.7	318.5
General insurance	68.6	85.0	76.9	66.6
Asset management	42.6	20.0	25.9	44.9
Banking	41.6	12.1	26.7	23.6
Corporate and other activities[(2)]	-66.6	-45.5	-3.4	-27.5
Total	**678.0**	**433.5**	**376.8**	**426.1**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Corporate and other activities includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business segment), together with any consolidation and elimination items. Corporate and other activities also includes gains from the sale of CZ during the year ended 31 December 2015.

Life Insurance

The table below shows Operational Result and Net Operational Result for the life insurance business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	2014 (InvSp)[(1)]	2014 (LTIR)[(1)]	2013
	(EUR million)			
Technical result (margins)[(2)]				
Technical margins (mortality, disability, lapses)	145.7	130.4	137.1	168.6
Normalised expense margins	-62.2	-80.7	-39.9	-19.6
Operational technical result	**83.5**	**49.7**	**97.1**	**149.0**
Investment spread[(3)]	726.8	452.7	256.9	303.9
Operational Result	**810.3**	**502.4**	**354.0**	**452.9**
Income tax	-202.6	-125.6	-88.5	-113.2
Non-controlling interests	-15.9	-14.8	-14.9	-21.2
Net Operational Result	**591.8**	**362.0**	**250.7**	**318.5**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Technical and expense margins reflect the difference between: (i) the sum of charges as included in the premiums paid by the policyholder and releases out of the technical reserves from claims, policyholder behaviour and anticipated expense reserve changes and (ii) actual claims paid to policyholders plus reported expense and commission levels, excluding any extraordinary expenses.

(3) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread

principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the investment spread is equal to the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement.

Net Operational Result for the Group's life insurance business segment was EUR 591.8 million for the year ended 31 December 2015, an increase of EUR 229.8 million or 63.5% compared with EUR 362.0 million for the year ended 31 December 2014 (InvSp). Operational Result was EUR 810.3 million for the year ended 31 December 2015, an increase of EUR 307.9 million or 61.3% compared with EUR 502.4 million for the year ended 31 December 2014 (InvSp). The improvement in 2015 was predominantly due to an increase in investment spread as a result of the lower required interest on own risk life insurance liabilities, following the decreased reference rate partly offset by increased finance costs, and a higher operational technical result. The latter was positively impacted by an improved mortality result, mainly due to the adoption of a new contract, release risk margin and portfolio development, partly offset by a lower disability result (due to changes in the model in 2014), and an improved normalised expense result.

Net Operational Result for the Group's life insurance business segment was EUR 250.7 million for the year ended 31 December 2014 (LTIR), a decrease of EUR 67.8 million or 21.3% compared with EUR 318.5 million for the year ended 31 December 2013. Operational Result was EUR 354.0 million for the year ended 31 December 2014 (LTIR), a decrease of EUR 98.8 million or 21.8% compared with EUR 452.9 million for the year ended 31 December 2013. The decrease was driven by lower operational technical results and a lower long-term investment return, impacted by a substantially lower reference interest rate.

General Insurance

The table below shows Operational Result and Net Operational Result for the general insurance business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	**2014 (InvSp)[1]**	**2014 (LTIR)[1]**	**2013**
	(EUR million, unless otherwise stated)			
Net earned premiums	1,252.3	1,277.3	1,277.3	1,347.0
Benefits and claims	-822.2	-819.4	-819.4	-897.2
Expenses/commissions	-365.2	-367.3	-367.3	-407.7
Operational technical result	**65.0**	**90.6**	**90.6**	**42.1**
Investment spread[2]	41.4	43.2	30.7	64.8
Operational Result	**106.3**	**133.8**	**121.3**	**106.9**
Income tax	-26.6	-33.5	-30.3	-26.7
Non-controlling interests	-11.1	-15.3	-14.1	-13.6
Net Operational Result	**68.6**	**85.0**	**76.9**	**66.6**
Combined ratio (%)[3]	96.2%	94.5%	94.5%	97.7%

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the investment spread is equal to the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement.

(3) The definition of the combined ratio differs from the Operational Result definition. Combined ratio is the sum of incurred losses and expenses divided by net earned premiums. The presented COR is a non-IFRS measure based on the view of management and excludes the effects of run-off activities, terminated contracts and market interest movements. These effects are included when calculating COR under IFRS.

Net Operational Result for the Group's general insurance business segment was EUR 68.6 million for the year ended 31 December 2015, a decrease of EUR 16.4 million or 19.3% compared with EUR 85.0 million for the year ended 31 December 2014 (InvSp). Operational Result was EUR 106.3 million for the year ended 31 December 2015, a decrease of EUR 27.5 million or 20.6% compared with EUR 133.8 million for the year ended 31 December 2014 (InvSp). The decrease is due to higher claims, commissions and a lower investment spread, only partly offset by lower expenses. The investment spread is lower as a result of a lower direct yield, only partly offset by lower unwind of discount and finance costs. The COR was 96.2%, an increase of 1.8 percentage points compared with the 94.5% for the year ended 31 December 2014. The increase was due to both higher claims and commissions, only partly offset by lower expenses.

Net Operational Result for the Group's general insurance business segment was EUR 76.9 million for the year ended 31 December 2014 (LTIR), an increase of EUR 10.3 million or 15.5% compared with EUR 66.6 million for the year ended 31 December 2013. Operational Result was EUR 121.3 million for the year ended 31 December 2014 (LTIR), an increase of EUR 14.5 million or 13.5% compared with EUR 106.9 million for the year ended 31 December 2013. The increase of the result was predominantly due to lower claims across most business lines and lower commissions, partly offset by a lower long-term investment return driven by the lower reference rate. The COR was 94.5%, a decrease of 3.3 percentage points compared with the 97.7% for the year ended 31 December 2013. The improved and decreased COR was predominantly the result of lower claims across most business lines (due to the positive impact of improvements of claim management initiatives) and no further negative impact from the partial disability scheme, WGA-ER.

Asset Management

The table below shows Operational Result and Net Operational Result for the asset management business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	**2014 (InvSp)(1)**	**2014 (LTIR)(1)**	**2013**
	(EUR million)			
Net fee and commission income	99.7	69.7	69.7	82.9
Result Delta Lloyd Treasury B.V.	-0.1	0.0	9.9	19.0
Operational expenses	-42.7	-43.1	-45.5	-43.5
Operational technical result	**56.9**	**26.6**	**34.1**	**58.4**
Investment spread(2)	0.0	0.0	0.4	1.5
Operational Result	**56.9**	**26.6**	**34.6**	**59.9**
Income tax	-14.2	-6.7	-8.6	-15.0
Non-controlling interests	0.0	0.0	0.0	0.0
Net Operational Result	**42.6**	**20.0**	**25.9**	**44.9**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the investment spread is equal to the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement

Net Operational Result for the Group's asset management business segment was EUR 42.6 million for the year ended 31 December 2015, an increase of EUR 22.7 million or 113.7% compared with EUR 20.0 million for the year ended 31 December 2014 (InvSp). Operational Result was EUR 56.9 million for the year ended 31 December 2015, an increase of EUR 30.2 million or 113.7% as compared with EUR 26.6 million for year ended 31 December 2014 (InvSp). The increase was predominantly due to higher net fee and commission income, increasing EUR 25 million, following the higher performance fees for the funds.

Net Operational Result for the Group's asset management business segment was EUR 25.9 million for the year ended 31 December 2014 (LTIR), a decrease of EUR 19.0 million or 42.3% compared with EUR 44.9 million for the year ended 31 December 2013. Operational Result was EUR 34.6 million for the year ended 31 December 2014 (LTIR), a decrease of EUR 25.3 million or 42.3% compared with EUR 59.9 million for the year ended 31 December 2013. This decrease reflects the lower performance fees that were received by the asset manager and lower treasury income, as a result of the lower volumes invested at a flatter yield curve.

Banking

The table below shows Operational Result and Net Operational Result for the banking business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	**2014 (InvSp)[(1)]**	**2014 (LTIR)[(1)]**	**2013**
	(EUR million)			
Net interest income	82.2	48.0	111.3	103.6
Net fee & commission income	22.5	22.9	60.3	62.4
Operational expenses	-49.2	-54.8	-140.1	-144.6
Operational technical result	**55.5**	**16.1**	**31.5**	**21.3**
Investment spread[(2)]	0.0	0.0	4.1	10.1
Operational Result	**55.5**	**16.1**	**35.6**	**31.5**
Income tax	-13.9	-4.0	-8.9	-7.9
Non-controlling interests	0.0	0.0	0.0	0.0
Net Operational Result	**41.6**	**12.1**	**26.7**	**23.6**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement.

Net Operational Result for the Group's banking business segment was EUR 41.6 million for the year ended 31 December 2015, an increase of EUR 29.5 million or 243.6% compared with EUR 12.1 million for the year ended 31 December 2014 (InvSp). The Group made significant progress in improving customer service and operational performance. Operational Result was EUR 55.5 million for the year ended 31 December 2015, an increase of EUR 39.3 million or 243.6% compared with the EUR 16.1 million for the year ended 31 December 2014 (InvSp). This improvement was predominantly the result of the higher net interest income resulting from a combination of an increased mortgage portfolio, improved interest margin on savings and bank annuities products and lower operating expenses mainly as a result of the release of accruals and provisions and low expenses for the deposit resolution fund.

Net Operational Result for the Group's banking business segment was EUR 26.7 million for the year ended 31 December 2014 (LTIR), an increase of EUR 3.1 million or 13.1% compared with EUR 23.6 million for the year ended 31 December 2013. Operational Result was EUR 35.6 million for the year ended 31 December 2014 (LTIR), an increase of EUR 4.1 million or 13.1% compared with EUR 31.5 million for the year ended 31 December 2013. The increase reflects the improved net interest margin, as a result of the lower funding costs from two securitisations and lower tariff rates on savings and banking annuities, combined with lower operational expenses.

Corporate and other activities

The table below shows the Operational Result and Net Operational Result for the corporate and other activities of the Group for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December			
	2015	**2014 (InvSp)[(1)]**	**2014 (LTIR)[(1)]**	**2013**
	(EUR million)			
Operational technical result	**-31.1**	**7.6**	**1.6**	**-16.7**
Investment spread[(2)]	-57.6	-68.2	-6.1	-20.3
Operational Result	**-88.7**	**-60.6**	**-4.5**	**-37.0**
Income tax	22.2	15.2	1.1	9.2
Non-controlling interests	-0.1	-0.1	-0.1	0.2
Net Operational Result	**-66.6**	**-45.5**	**-3.4**	**-27.5**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) For the years ended 31 December 2015 and 2014 (InvSp), the investment spread represents the direct yield minus the cost of liabilities. The latter consists of the required interest rate on own-risk life and general insurance liabilities and finance costs. Investment spread principally consists of coupon income, interest income mortgages, dividend income and rental income. For the years ended 31 December 2014 (LTIR) and 2013, the long-term investment return definition that was applicable and reported in the annual report of the Group for those years is used. The long-term investment return represents the sum of (a) the reference rate on average shareholders' funds, (b) the risk margin (3.5%) on average own risk equity assets and (c) the risk margin (2.0%) on average own risk property assets. The change to investment spread from LTIR was made to bring the long-term investment return more in line with the IFRS income statement

Net Operational Result for the Group's corporate and other activities segment was a loss of EUR 66.6 million for the year ended 31 December 2015, a deterioration of EUR 21.1 million or 46.3% compared with a loss of EUR 45.5 million for the year ended 31 December 2014 (InvSp). Operational Result was a loss of EUR 88.7 million for the year ended 31 December 2015, a deterioration of EUR 28.0 million or 46.2% compared to the loss of EUR 60.6 million for the year ended 31 December 2014 (InvSp), due to a lower operational technical result, the result of higher operating expenses (following higher pension service costs of EUR 16 million in 2015), lower income from Treasury as a result of low interest rates, partly offset by the improved, but still negative, investment spread. The latter was driven by lower finance costs and interest income at the Company.

Net Operational Result for the Group's corporate and other activities segment was a loss of EUR 3.4 million for the year ended 31 December 2014 (LTIR), an improvement of EUR 24.1 million or 87.5% compared with a loss of EUR 27.5 million for the year ended 31 December 2013. Operational Result for the year ended 31 December 2014 was a loss of EUR 4.5 million (LTIR), an improvement of EUR 32.5 million or 87.8% compared with a loss of EUR 37.0 million for the year ended 31 December 2013. The improvement was due to the recognition of one-off pension reform effects on past pension service costs in 2014, partly offset by a lower margin derived from health activities. The improved, but still negative, result from the long-term investment return was the result of a combination of a lower reference interest rate and negative shareholders' funds.

Reconciliation of Operational Result to IFRS Result Before Tax

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the investment spread method.

	Year ended 31 December			
	2015	2014 (InvSp)(1)	2014 (LTIR)(1)	2013
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result	**940.3**	**618.4**	**541.1**	**614.1**
Long-term investment return	N/A	N/A	-286.0	-360.0
Movement of assets(2)	-1,022.1	6,439.1	7,943.3	-76.8
Movement of liabilities	380.6	-6,457.3	-7,191.8	50.3
Provisions for onerous contracts	-162.1	-134.0	-134.0	0.0
Other	13.7	1.9	-404.3	17.2
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) Movement of assets is made up of the spread of the Collateralised AAA bond curve versus DNB swap curve, income statement impact on own pension assets, income statement impact of credit spread, income statement impact on interest, cost of the UFR (the pre-tax difference between the assumed cost of liabilities based on the 13 year spot rate for the operational result and the actual benefit from the UFR calculated for all durations under IFRS) and other items (equity result, pull-to-par assets and other effects).

The Group's movements of assets was a loss of EUR 1,022.1 million for the year ended 31 December 2015, a decrease of EUR 7,461.2 million compared to a gain of EUR 6,439.1 million for the year ended 31 December 2014 (InvSp). The decrease for the period is primarily attributable to increased interest rates and increased corporate credit spreads, resulting in a negative revaluation of fixed income securities and fixed income derivatives during the period.

The Group's movements of assets was a gain of EUR 7,943.3 million for the year ended 31 December 2014 (LTIR), an increase of EUR 8,020.1 million compared to a loss of EUR 76.8 million for the year ended 31 December 2013. Decreased interest rates positively contributed to the revaluation of fixed income securities and fixed income derivatives during this period.

The Group's movements of liabilities was a gain of EUR 380.6 million for the year ended 31 December 2015, an increase of EUR 6,837.9 million compared to a loss of EUR 6,457.3 million for the year ended 31 December 2014 (InvSp). The increase for the period is primarily attributable to the increase of the Collateralised AAA curve, which resulted in a decrease of life insurance liabilities.

The Group's movements of liabilities was a loss of EUR -7,191.8 million for the year ended 31 December 2014 (LTIR), a decrease of EUR 7,242.1 million compared to a gain of EUR 50.3 million for the year ended 31 December 2013. The decrease for the period is primarily attributable to the decrease of the Collateralised AAA curve, which resulted in an increase of the life insurance liabilities.

The Group's provisions for onerous contracts were EUR 162.1 million for the year ended 31 December 2015, an increase of EUR 28.1 million compared to EUR 134.0 million for the year ended 31 December 2014 (InvSp). The increase for the period is primarily attributable to additions made for the sale of Delta Lloyd Bank Belgium and the Delta Lloyd Deutschland.

The Group's provisions for onerous contracts were EUR 134.0 million for the year ended 31 December 2014 (LTIR), an increase of EUR 134.0 million compared to EUR 0 for the year ended 31 December 2013. The increase for the period is primarily attributable to the sale of Delta Lloyd Bank Belgium.

The Group's other category of 2014 (LTIR) is EUR 404.3 million and consists of finance costs (EUR -154.1 million), result Amstelhuys (EUR -61.2 million). Pension interest cost (EUR -75.0 million) and non operational items (EUR -256.7 million), offset by non operational longevity impact (EUR +176.2 million).

Operational Result and Net Operational Result are non-IFRS accounting measures. The table below shows a reconciliation of Net Operational Result and Operational Result to the IFRS result before tax for the years ended 31 December 2015, 2014 and 2013 using the long-term investment return method.

	Year Ended 31 December			
	2015	**2014 (InvSp)(1)**	**2014 (LTIR)(1)**	**2013(2)**
	(EUR million)			
Net Operational Result	**678.0**	**433.5**	**376.8**	**426.1**
Income tax	-235.1	-154.6	-135.3	-153.5
Non-controlling interests	-27.2	-30.2	-29.0	-34.5
Operational Result(3)	**940.3**	**618.4**	**541.1**	**614.1**
- Long-term investment return	N/A	N/A	-286.0	-360.0
+/- Fair value adjustments liabilities(4)	68.5	-6,398.5	-6,398.5	725.2
+/- Actual return after profit sharing/interest accrual(5)	-527.0	6,310.8	6,674.0	-600.4
+/- Non-operational items	-331.4	-62.4	-62.4	-134.1
IFRS result before tax from continuing operations	**150.4**	**468.2**	**468.2**	**244.8**

(1) Operational Result and Net Operational Result as presented by the Group are non-IFRS measures and are not measures of financial performance under IFRS. Net Operational Result is Operational Result after tax and minority interest. Operational Result and Net Operational Result have been calculated on a different basis for the years ended 31 December 2015 and 2014 (InvSp) compared to the years ended 31 December 2014 (LTIR) and 31 December 2013. Accordingly, Operational Result and Net Operational Result for the year ended 31 December 2015 are comparable to the year ended 31 December 2014 (InvSp) and the year ended 31 December 2014 (LTIR) are comparable to the year ended 31 December 2013. Operational Result and Net Operational Result for the year ended 31 December 2015 and for the year ended 31 December 2014 (InvSp) are not comparable to Operational Result and Net Operational Result for the year ended 31 December 2014 (LTIR) and Operational Result and Net Operational Result for the year ended 31 December 2013. For a description of the Group's definition of Net Operational Result and a reconciliation of Net Operational Result to result before tax under IFRS, see "*Selected Financial Information—Operational Result and Net Operational Result*", "*Operating and Financial Review—Operational Result and Net Operational Result*" and "*Important Information—Presentation of Financial and Other Information*".

(2) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

(3) In reconciling Operational Result to result before tax, the Group subtracts the long-term investment return from Operational Result, replacing it with the actual return made on the investment portfolio after profit sharing and interest accrual in respect of liabilities. These numbers may vary significantly as IFRS investment volatility is included in, and available-for-sale statement of financial position movements are excluded from, this number. Fair value adjustments to insurance liabilities as a result of the changes in the interest curve used for the valuation of these liabilities is excluded as are certain incidentals and expenses not included in the technical result.

(4) Represents movement in liabilities as a result of changes in the Collateralised AAA bond curve for the years ended 31 December 2015, 2014 and 2013.

(5) Represents actual results of the Group's investment portfolio in the period, that is, the sum of (a) the Group's actual investment income, (b) share of profit or loss after tax of associates and (c) other income less the sum of (x) finance expenses and (y) change in insurance liabilities attributable to interest accrual and profit sharing.

The Group's fair value adjustments of liabilities was EUR 68.5 million for the year ended 31 December 2015, an increase of EUR 6,467.0 million compared to a loss of EUR 6,398.5 million for the year ended 31 December 2014 (InvSp). The increase for the period is primarily attributable to the increase of the Collateralised AAA curve, which resulted in a decrease of life insurance liabilities.

The Group's fair value adjustments of liabilities was a loss of EUR 6,398.5 million for the year ended 31 December 2014(LTIR), a decrease of EUR 7,123.7 million compared to EUR 725.2 million for the year ended 31 December 2013. The decrease for the period is primarily attributable to the decrease of the Collateralised AAA curve, which resulted in an increase of the life insurance liabilities.

The Group's actual return after profit sharing and interest accrual was a loss of EUR -527.0 million for the year ended 31 December 2015, and a decrease of EUR 6,837.8 million compared to EUR 6,310.8 million for the year ended 31 December 2014 (InvSp). The decrease for the period is primarily attributable to increased interest rates and increased corporate credit spreads, resulting in a negative revaluation of fixed income securities and fixed income derivatives during the period.

The Group's actual return after profit sharing and interest accrual was EUR 6,674.0 million for the year ended 31 December 2014 (LTIR), an increase of EUR 7,274.4 million compared to a loss of EUR 600.4 million for the year ended 31 December 2013. Decreased interest rates positively contributed to the revaluation of fixed income securities and fixed income derivatives during this period.

The Group's non-operational items were EUR -331.4 million for the year ended 31 December 2015, a decrease of EUR 269.0 million compared to EUR -62.4 million for the year ended 31 December 2014. In 2015, the non-operational items primarily consisted of WGA-ER of EUR -6.2 million (compared to EUR -3.3 million in 2014), impairments of EUR -22.7 million (compared to EUR -11.6 million in 2014) and the onerous contract regarding the sale of Delta Lloyd Bank Belgium and Delta Lloyd Deutschland of EUR -162.1 million (compared to EUR -134.0 million in 2014) and other non-operational items of EUR 140.3 million (compared to EUR 82.9 million in 2014). The other non-operational items for the year ended 31 December 2015 mainly consisted of EUR -90.0 million related to strategic projects (compared to EUR -77.0 million in 2014), a restructuring provision of EUR -11.3 million and EUR -22.7 million related to a fine from DNB.

The Group's non-operational items were EUR -62.4 million for the year ended 31 December 2014, a decrease of EUR 71.7 million compared to EUR -134.1 million for the year ended 31 December 2013. In 2014 the non-operational items primarily consisted of the run-off result of the terminated international marine portfolio of EUR 3.6 million (compared to EUR -18.0 million in 2013), the impact of WGA-ER of EUR -3.3 million (compared to EUR -44.8 million in 2013), impairments of EUR -11.6 million (compared to EUR -51.4 million in 2013) and the onerous contract regarding the sale of Delta Lloyd Bank Belgium of EUR -134.0 million, and other non-operational items of EUR 82.9 million (compared to EUR 19.9 million in 2013). The other non-operational items for the year ended 31 December 2014 mainly consisted of EUR -77.0 million related to strategic projects (compared to EUR -43.6 million in 2013), and longevity effects related to the introduction of a new mortality table (AG 2014) of EUR 176.2 million.

New Business

The Group defines new business for its life insurance business segment as the sum of new written policies and the portion of annual renewals that represents an increase in premium over the previous year's premium payments (known as "indexation"). NAPI consists of new annual premiums and 10% of new single premiums received during the period.

NAPI rose to EUR 432 million in the year ended 31 December 2015, of which EUR 235 million originated from new DC contracts, EUR 103 million from DB contracts and EUR 93 million from new individual life contracts. This compares to NAPI of EUR 418 million for the year ended 31 December 2014, of which EUR 205 million originated from new DC contracts, EUR 131 million from DB contracts and EUR 83 million from new individual life contracts.

Low interest rates are still a major challenge for life insurers and continued to put pressure on profitability in this segment. In light of this and the new Solvency II rules, the Group accelerated the shift toward lower risk, less volatile products, which resulted in a 15% increase in NAPI in defined contribution products in 2015.

The table below shows annual and single premiums and NAPI for the Group's life insurance business segment within each of the Group's major brands for life insurance for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013(1)
		(EUR million)	
Delta Lloyd/OHRA			
Annual premiums	268.9	242.7	189.1
Single premiums	575.1	580.3	1,237.7
NAPI	326.4	300.7	312.9
ABN AMRO Insurance			
Annual premiums	8.3	7.6	8.6
Single premiums	57.6	67.8	83.4
NAPI	14.1	14.3	16.9
Belgium			
Annual premiums	57.1	66.0	59.2
Single premiums	341.9	371.1	420.7
NAPI	91.3	103.1	101.3
Total Annual premiums	**334.3**	**316.2**	**256.9**
Total Single premiums	**974.6**	**1,019.2**	**1,741.7**
Total NAPI	**431.7**	**418.1**	**431.1**
Individual life	93.4	82.6	90.8
Group defined benefit	103.4	130.6	220.4
Group defined contribution	235.0	204.9	119.9

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and *"Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Delta Lloyd/OHRA

New business for the Delta Lloyd and OHRA brand life insurance businesses was EUR 326.4 million for the year ended 31 December 2015, an increase of EUR 25.7 million, or 8.6% compared with EUR 300.7 million for the year ended 31 December 2014. The increase in the 2015 period was due to higher annual premium contracts and a shift towards capital light products (defined contribution).

New business was EUR 300.7 million for the year ended 31 December 2014, a decrease of EUR 12.2 million, or 3.9%, compared with EUR 312.9 million for the year ended 31 December 2013. The decrease was due to lower single premium contracts as a result of a lower number of pension buyouts, partly offset by higher annual premium income.

ABN AMRO Insurance

New business for the ABN AMRO Insurance brand life insurance business was EUR 14.1 million for the year ended 31 December 2015, a decrease of EUR 0.3 million, or 1.9%, compared with EUR 14.3 million for the year ended 31 December 2014.

New business was EUR 14.3 million for the year ended 31 December 2014, a decrease of EUR 2.6 million, or 15.3%, compared with EUR 16.9 million for the year ended 31 December 2013. The decrease was primarily due to lower single premium contracts on direct annuities products.

Belgium

New business for the Group's life insurance business in Belgium was EUR 91.3 million for the year ended 31 December 2015, a decrease of EUR 11.8 million, or 11.5%, compared with EUR 103.1 million for the year ended 31 December 2014. The decrease was primarily due to a shift from universal life guaranteed interest rate contracts towards self-employed group contracts. Additionally, low interest rates have put pressure on profitability in this segment.

New business was EUR 103.1 million for the year ended 31 December 2014, an increase of EUR 1.8 million, or 1.8%, compared with EUR 101.3 million for the year ended 31 December 2013. The increase was due to higher annual premiums, partly offset by lower single premium contracts.

General Insurance Claims Reserves

Results for the Group's general insurance business are significantly influenced by estimates of general insurance claims and claims expense reserves. The Group is required by applicable insurance laws and regulations to establish reserves for the payment of losses and loss adjustment expenses that arise from its general insurance products. The Group's reserves are an estimate of future amounts necessary to settle all outstanding and IBNR claims, including legal and other expenses, as of the relevant date. Such estimates are made on the basis of the facts available at the time the reserve is established and using established actuarial methodologies. The calculation of reserves is subject to assumptions reflecting, among other things, economic factors such as inflation rates, as well as legal and regulatory developments, which can change over time. The Group continually reviews and updates the methods and assumptions used to determine such estimates and establish the resulting reserves. It records any such reserve adjustments in current income. See "*Risk Management*" for a further description of the Group's reserving policies and the potential variability in the Group's reserve estimates.

The facts and circumstances leading to the Group's re-estimates of reserves relate to the development factors used to predict how losses are likely to develop from the end of a reporting period until all claims have been paid. Re-estimates occur because actual losses are likely to be different from those predicted by the estimated development factors used in prior reserve estimates.

Claims Reserves Development

The table below shows the development of claims reserves for the Group's general business segment for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013
		(EUR million)	
Balance at beginning of period	1,951	1,995	1,940
Incurred:			
Arising from current year claims	901	906	1,024
Arising from prior year claims	-18	-12	9
Arising from change in assumptions	-23	51	0
Total incurred	**861**	**945**	**1,033**
Paid related to:			
Current year	-440	-427	-444
Prior year	-531	-556	-550
Total paid	-970	**-983**	**-994**
Increase in provision due to passage of time	4	11	16
Other movements recognised as expense	—	—	—
Reclassified to the held for sale category	—	—	—
Other movements	-24	-17	—
Balance at end of period	**1,822**	**1,951**	**1,995**

Claims reserves developments are mainly caused by claims incurred on the current accident year, which results in an increase of the reserves. Accident year means the actual calendar year during which an accident or occurrence takes place which gives rise to an insurance and/or reinsurance claim. Incurred claims comprise three components: (i) claims incurred in the accident year, (ii) adjustments on prior year claims estimates as a result of new information and (iii) changes in assumptions, which comprise of interest rate movements as from 2014. In 2014, there was a change in accounting policy on disability provisions, where the last part of the disability now is discounted by the Collateralised AAA curve instead of fixed interest rates. Payments of claims will result in a decrease of the claims reserve.

Total Incurred Claims

Total incurred claims decreased from EUR 1,033 million to EUR 861 million between the years ended 31 December 2013 and 2015, in particular due to the international marine business that was put in run-off at the end of 2012. Also the decision to gradually withdraw from the WGA ER market, led to a decrease in the incurred loss. In the year ended 31 December 2015, total incurred claims amounted to EUR 861 million. Prior year claims reserves movements for the year ended 31 December 2013 was negative mainly following additional reserves for WGA ER. Under normal circumstances a release on prior year reserves is expected as provisions are determined on a prudent basis. This can be seen in the prior year claim reserves movements for the years ended 31 December 2014 and 31 December 2015 with a release of EUR 12 million and EUR 18 million, respectively.

The release of prudence from prior year reserves can also be seen in the development in the COR. In the table below the COR (excluding terminated and run-off activities and market interest movements) is split in current year COR and prior year reserve development. The prior year reserve development in the table below is adjusted for accounting effects in the brokerage portfolio, where there is a three-month delay in reported results. This results in an adjustment in prior year and current year reserve development of around EUR 13 million in both 2014 and 2015 when compared to the table above. The increase in the COR in 2015 compared to 2014 was the result of higher claims and commission ratios, partly offset by a lower expense ratio.

The table below shows the development of COR for the years ended 31 December 2015 and 2014:

Combined Operating Ratio	**Year ended 31 December**	
	2015	**2014**
Current year COR	98.7%	97.7%
Prior year reserve developments	-2.5%	-3.2%
COR	**96.2%**	**94.5%**

Total Payments

Current year payments remained stable from EUR 444 million to EUR 440 million between the years ended 31 December 2013 and 2015. Prior year payments decreased from EUR 550 million to EUR 531 million between the years ended 31 December 2013 and 31 December 2015. The decrease in prior year payments during this period can be attributed to the run-off portfolio of the international marine business.

Other Movements

The other movements in the year ended at 31 December 2015 of EUR 24 million was mainly due to transfer of a Beurs portfolio to a third party.

The other movement in the year ended at 31 December 2014 of EUR -17 million was mainly caused by the transfer of the remaining Belgian provisions to the life segment.

For further details on the Group's claims reserves development, see the discussion and related triangulation table labelled "Loss development table" in note 4.1.7.25 "*Insurance liabilities*" to the Group's 2015 Financial Statements incorporated by reference herein.

Liquidity and Capital Resources

The Company operates as a holding company for the subsidiaries conducting the Group's life insurance, general insurance, asset management and banking businesses. The Group's life insurance, general insurance and banking activities are subject to specific solvency and liquidity requirements. Prudential supervision of compliance with such requirements is exercised at a Group level and by the applicable risk management department at each of the principal subsidiaries in each regulated business segment.

Working Capital

The Company believes that the working capital available to the Group is sufficient for the Group to meet its present working capital expenditure requirements for at least the next 12 months following the date of this Prospectus.

The Company believes that the Group has sufficient liquidity to meet its liabilities for at least the next 12 months following the date of this Prospectus.

The Group's insurance operations have sufficient liquid investments and inflows of new premiums compared to a stable outflow of payments. The Group has defined a target LCR of 105% for its insurance entities. The LCR largely meets the target, i.e. the ratios show that in case of a stress situation (e.g. mass lapse, catastrophe), the Group will have a sufficient liquid stock of assets.

The current liquidity position of Delta Lloyd Bank Netherlands is sufficient to comply with the applicable liquidity requirements as set out under the CRD IV framework. The Company and other subsidiaries within the Group are not subject to such liquidity requirements.

Mortgage Funding

Mortgage loans are primarily a relevant asset class for the Group's insurance businesses and at Group level are funded in one of three different ways. They are either transferred to the balance sheet of Group entities through internal transfers or funded through premium incomes. The banking business segment funds its mortgage loan investments through retail bank annuities and savings and partly by securitisations through the Group's Arena securitisation programme. Each business segment has its own liquidity management process and governance with overall oversight carried out by the Group's Treasury Department.

Cash Flows

Liquidity is a measure of the Group's ability to generate sufficient cash flows to meet the short and long-term cash requirements of its business operations. The Group generally maintains a conservative liquidity position that exceeds liabilities payable on demand. The Group's primary sources of liquidity are its GWP from the sale of life and general insurance, issuance of asset-backed securities from the Group's primary mortgage funding vehicle, Amstelhuys and Delta Lloyd Bank Netherlands, income from its investment activities and retail bank annuities and savings. Although Group investment income has varied significantly since 2013, the Group expects this source of liquidity to play a significant role in overall Group liquidity going forward.

In addition to cash flow from operations and access to Group credit lines, the Group's life insurance business has investments in liquid money market instruments as well as substantial investments in bonds and equity securities that can be liquidated if required. Consequently, the Group's life insurance business can meet claims or obligations of a comparable amount on very short notice.

Delta Lloyd Banking manages its liquidity position on the basis of a rolling liquidity gap and longer-term funding indicators. The liquidity gap concept is widely used by banks and measures liquidity in excess of minimum requirements over a specified time period.

As a holding company, the Company's primary source of cash is dividends from its subsidiaries and interest payments. However, the Company's ability to receive dividends from its subsidiaries is restricted as most of these subsidiaries are regulated and are subject to various legal requirements in respect of capital and dividend payments. In order to meet liquidity needs in light of any potential restrictions on its ability to receive dividends from its subsidiaries, the Group had total liquid assets (including assets held for sale, risk reward policyholder and third-party investment funds) at 31 December 2015 of EUR 2,635.3 million (in the form of cash and cash equivalents).

The Group's total cash and cash equivalents (including assets held for sale, risk reward policyholder and third-party investment funds) at 31 December 2013 and 2014 were EUR 1,807.8 million and EUR 3,135.5 million, respectively.

The Group's principal sources of funds are premiums from the life and, to a lesser extent, general insurance businesses and income from investment assets (including interest) and bank or other borrowings. Total bank debt outstanding of the Group at 31 December 2013, 2014 and 2015 was EUR 62.6 million, EUR 0.0 million and EUR 0.0 million, respectively.

The table below shows a condensed cash flow statement for the Group for the years ended 31 December 2015, 2014 and 2013:

	Year ended 31 December		
	2015	2014	2013(1)
	(EUR million)		
Net result			
Net result	140.2	402.8	221.4
Of which is result from discontinued operations	-0.6	22.5	13.0
Adjustments for:			
Income tax expense	20.0	81.8	36.5
Depreciation, amortisation, impairments and revaluation of items not at fair value	414.7	313.6	451.4
Unrealised gains and losses	2,241.5	-6,580.1	2,286.6
Change in provisions for insurance and investment contracts net of reinsurance	269.7	7,379.4	-320.6
Change in liability for third-party interests in consolidated investments funds	-688.1	-649.9	313.0
Share of profit or loss and other non-cash items from associates and joint ventures	-82.2	-198.5	-132.6
Cash generating profit for the year	**2,315.8**	**749.2**	**2,855.7**
Net cash flow from operating activities, including discontinued operations	1,821.6	1,622.4	1,240.5
Net cash flow from investing activities, including discontinued operations	-1,494.5	-117.7	-1,681.2
Net cash flow from financing activities, including discontinued operations	-827.4	-177.0	-1,034.6
Net (decrease) / increase in cash and cash equivalents, including discontinued operations	-500.3	1,327.7	-1,475.3
Statement of changes in cash and cash equivalents			
Cash and cash equivalents at beginning of year	3,135.5	1,807.8	3,283.2
Net (decrease) / increase in cash and cash equivalents	-500.3	1,327.7	-1,475.3
Total cash and cash equivalents	**2,635.3**	**3,135.5**	**1,807.8**
Consolidated statement of financial position, own risk	2,503.4	2,642.0	1,146.6
Assets held for sale, own risk	—	337.8	129.1
Risk reward policyholder and third-party investment funds	131.9	155.8	532.1
Total cash and cash equivalents	**2,635.3**	**3,135.5**	**1,807.8**
Further details on cash flow from operating activities			
Interest paid	351.9	484.0	445.7
Interest received	1,731.1	1,862.1	1,629.4
Dividends received	277.1	250.4	347.2

(1) Figures at and for the year ended 31 December 2013 have been restated. For a more detailed discussion, see "*Important Information—Presentation of Financial and Other Information—Disposals of Operations*" and "*Important Information—Presentation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Net cash flow from operating activities, including discontinued operations for the year ended 31 December 2015 was EUR 1,821.6 million compared with a cash inflow of EUR 1,622.4 million for the corresponding period in 2014. The increase was mainly due to higher interest rates which resulted in lower fair value of debt securities and derivatives and lower movement of provisions. Net cash flow from operating activities, including discontinued operations for the year ended 31 December 2014 was a cash inflow of EUR 1,622.4 million compared with a cash inflow of EUR 1,240.5 million in 2013. The increase in cash inflows in 2014 compared with 2013 was primarily due to significantly lower interest rates in 2014 which resulted in higher fair value of derivatives and collateral repayment obligations and increased inflow of cash due under the Group's receiver swap arrangements.

Net cash flow from investing activities, including discontinued activities for the year ended 31 December 2015 was a cash outflow of EUR 1,494.5 million compared with a cash outflow of EUR 117.7 million for the corresponding period in 2014. The higher outflow was mainly due to higher investments in debt securities. Net cash flow from investing activities, including discontinued activities for the year ended 31 December 2014, was a cash outflow of EUR 117.7 million compared with a cash outflow of EUR 1,681.2 million in 2013. The lower outflow of cash from investing activities in 2014 compared with 2013 was due to a decrease in investment in debt securities offset by lower movement of equity securities and third-party investment funds.

Net cash flow from financing activities, including discontinued operations for the year ended 31 December 2015, was a cash outflow of EUR 827.4 million compared with a cash outflow of EUR 177.0 million for the corresponding period in 2014. The higher outflow was mainly related to net repayment of borrowings. Net cash flow from financing activities, including discontinued operations for the year ended 31 December 2014 was a cash outflow of EUR -177.0 million compared with a cash outflow of EUR 1,034.6 million in 2013. The increase in 2014 compared with 2013 was due to significantly higher borrowing proceeds in 2014 as a result of the issuance of subordinated notes by the Group.

Regulatory Capital Requirements

The Group aims for an optimal capital structure and is continuously considering ways to improve its capital structure and strengthen its balance sheet. It is launching the Offering as one of the capital measures to boost its capital and Solvency II ratio as it begins to operate in a Solvency II environment which became effective as of 1 January 2016. See "*Use of Proceeds and Reasons for the Offering*".

In anticipation of the effectiveness of Solvency II and the adoption of the Group's Capital Plan, the Group took a number of management actions to strengthen its capital. In March 2015, the Group successfully completed an equity offering of ordinary shares. The ordinary shares were sold at EUR 17.00 per share (the closing price of the Company's ordinary shares on 16 March was EUR 17.05) raising a total of EUR 339 million.

In August 2014 and June 2015 the Group entered into the Longevity Derivatives. These Longevity Derivatives will reduce the financial impact of policyholders living longer than currently expected during the term of the contract. In exchange for this protection a fixed premium is paid to RGA at contract maturity that is offset against any payments from RGA due under the Longevity Derivatives. See "*Business—Material Contracts—Longevity Derivatives*".

Both transactions are structured as out-of-the-money derivatives whereby no payment from RGA will be received if current expectations, with respect to changes in mortality, are realised during the term of the contract. In other words, the Longevity Derivatives protect against mortality improvements that are observed during the contract period which exceed current expectations. There is a minimum reduction of mortality that must occur in order for the Group to receive payment (referred to as the attachment point). There is also a limit beyond which no additional payment will be made by RGA (referred to as the detachment point). As a result, the maximum payoff at contract maturity is EUR 450 million for the first transaction and EUR 350 million for the second transaction. At contract maturity, the value of the underlying portfolio is recalculated based on the actual mortality rate (based on an index) during the contract term and its impact on the future mortality rate (via a commutation mechanism of 80 years for the first and 72 years for the second). In case the value of the liability is above the attachment point, a payment from RGA is due. While these Longevity Derivatives cover the life insurance liabilities for the annuity and collective DB portfolios of DLL, this is only part of the Group's total longevity risk exposure, meaning that the Group's longevity risk is not entirely covered. With these contracts, approximately half of the current SF longevity risk capital is covered by the Longevity Derivatives and the Group maintains longevity buffers for longevity losses below the retention level of these contracts.

The longevity index derivatives are based on the Dutch population mortality instead of actual portfolio mortality. Although highly correlated, the hedge is not perfect. Extensive analysis has been performed to examine this demographic basis risk and results demonstrate that the Dutch population is highly correlated to the actual insured portfolio. This analysis will be performed on an annual basis. In addition, the current Longevity Derivatives do not protect against changes in methodology of future forecast tables and unexpected changes in future mortality rates that will arise after contract maturity. In its longevity risk management strategy, the Group has set out a policy to roll forward the current Longevity Derivatives at contract maturity to maintain its longevity risk protection in the future. See "*Risk Factors—Financial Risks—The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is limited in time unless certain conditions are satisfied.*"

The Group and RGA have stated their intention explicitly in a memorandum of understanding to rollover the existing transactions at the end of the contract period.

The Group has had extensive discussions with DNB regarding the impact of the Longevity Derivatives on the Group's Solvency II ratio (SF) following a challenge by DNB of the Group's proposed treatment of the impact of the Longevity Derivatives prior to the publication of its 2015 results. DNB confirmed that, subject to the conditions below, the Group may reflect a SCR reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) and a risk margin reduction (a +7% impact on the Group's Solvency II ratio (SF) as at 31 December 2015) in the Group's Solvency II ratio (SF) during 2016, so long as the Group satisfies the conditions outlined below, which the Group intends to seek to do. These effects are reflected in DLL's Solvency II ratio (SF) and the Group's Solvency II ratio (SF) as at 31 December 2015 (the solvency position of DLL has a significant effect on the solvency position of the Group).

Firstly, the Group has committed to DNB that it will exclude the risk-margin reduction based on the assumed ability of the Group to continuously renew the contracts for the full duration of the portfolio (the "roll-forward effect") from the calculation of DLL's Solvency II ratio (SF). The roll-forward effect comprises the expected benefits of future Longevity Derivatives. Excluding the roll-forward effect had a -14% points impact on the Group's Solvency II ratio (SF) as at 31 December 2015. It has further been discussed that prior to 31 July 2016, the Group must extend the duration of both Longevity Derivatives to beyond eight years, subject to agreeable terms with RGA, to be able to take into consideration the current roll-forward effect under the SF, although the Group must still continue to exclude any further roll-forward effect under the adjusted contracts as discussed with DNB.

Secondly, the Group has committed to DNB to use all possible efforts, in cooperation with RGA or another reinsurer, to adjust the terms and conditions of the Longevity Derivatives by 31 December 2016 to better align them with the principles of a re-insurance contract (for example, by adjusting the concept of index protection currently included to indemnity protection) under the Solvency II rules and regulations. This will allow the Group to continue to use the Longevity Derivatives to reduce the risk margin for the SF, as well as for a partial internal model. The Group's auditor and actuary will be asked to confirm the re-insurance classification under the Solvency II rules and regulations before 31 December 2016.

Thirdly, the Group has committed to DNB to implement a Solvency II compliant partial internal model by 1 January 2018. Any partial internal model will model at least the following five modules under internal model specifications: longevity risk, credit spread risk, credit default risk, interest rate risk and equity risk. The SF single risk capital for longevity will in all cases be at least equal to or higher than the partial internal model single risk capital for longevity after allowing for the effect of the Longevity Derivatives. However, the timetable for the development and implementation of the partial internal model is dependent on the Group's regulators and therefore it is not entirely within its control, exposing it to the risk of delay. There can be no assurance that the Group will be successful in implementing a satisfactory partial internal model or that DNB will approve the Group's partial internal model before 1 January 2018. See "*Risk Factors—Regulatory and Litigation Risks—Solvency II, a new regime governing solvency margins and provisions, became effective on 1 January 2016. The implementation and interpretation of this new solvency regime is subject to uncertainties and, if the Group is not able to comply with Solvency II requirements, this could have a material adverse effect on its business, solvency, results of operations, potential to pay dividends and financial condition*".

The Group could be subject to higher costs as a consequence of the renegotiation of the Longevity Derivatives or be unable to extend the duration or adjust the terms and conditions of the Longevity Derivatives on reasonable terms or at all. In addition, if the Group is not able to comply with the conditions outlined above within the timeframes discussed with DNB, it would need to exclude at least part of the effect of the Longevity Derivatives when determining DLL's (and accordingly the Group's) SCR and risk margin, and accordingly the Solvency II ratio (SF), which would in turn have a negative impact on the Group's Solvency II ratio (SF) resulting in a material adverse effect on the Group's business, solvency, results of operations and financial condition. Maintaining the risk margin benefit for a period up to 8 years is subject to a restructuring of the hedge to ensure reinsurance treatment. If the Group is unable to restructure the Longevity Derivatives, there would be a significant and adverse impact on the Group's Solvency II ratio (SF) (currently estimated at 7% points). If at any time it becomes clear that the Longevity Derivatives will not or cannot be changed to assure a classification as reinsurance under Solvency II, the risk margin reduction will immediately cease, thereby reducing the Group's Solvency II ratio (SF).

See also "*Risk Factors—Financial Risks—If the Group's use of derivatives to protect itself against certain risks is inadequate or ineffective in limiting the Group's exposure, the Group's business, results of operations and financial condition may be materially adversely effected*".

For information about the Group's subordinated loans and securitisation programmes, please see note 4.1.7.32 "*Borrowings*" to the Group's 2015 Financial Statements incorporated by reference herein.

Capital Position

The table below shows the capital position of the Group at 31 December 2015, 2014 and 2013:

	As at 31 December		
	2015[(1)]	2014	2013
Equity			
Shareholders' funds after non-controlling interests	2,569	2,468	2,621
-of which 'hard' capital (tangible assets)	2,240	2,109	2,276
Solvency			
Solvency II (SF)[(1)]	131%	n.a.[(2)]	n.a.[(2)]

(1) The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

(2) The Solvency II framework was not effective during 2014 and 2013, therefore, the Company has not publically reported these items for these periods. As at 30 September 2015, the Group's Solvency II ratio (SF) was 136%. The Group's Solvency II ratio (SF) as at 30 September 2015 includes certain actions which were completed during the fourth quarter 2015, such as the sale of Delta Lloyd Deutschland and certain private-equity stakes, the merger of the property entities within DLL, the restructuring of Fonds NutsOhra subordinated debt and the impact of the September 2015 curve prescribed by the EIOPA in October 2015. In addition, the LAC DT and Longevity Derivatives are reflected based on the interpretation of Solvency II regulations at that time, prior to the approach now taken, as described elsewhere following discussions with DNB. Further, the Solvency II ratio (SF) as at 30 September 2015 includes the capital requirements of, and capital held by, the Group's banking segment and Van Lanschot as OFS, which is no longer the Group's approach.

The phased-in CET1 ratio of Delta Lloyd Bank Netherlands was 12.4% as at 31 December 2015, compared to 13.6% as at 31 December 2014. The CET1 ratio has been calculated and presented in accordance with the Basel framework that was most recently translated into a directive (2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, CRR), together referred to as the CRD IV framework. The CRD IV directive was implemented in Dutch law with effect from August 2014 and under this framework, Delta Lloyd Bank Netherlands is required to maintain minimum solvency and liquidity ratios, including a minimum total capital ratio. The CRR has been directly applicable since 1 January 2014, and has resulted in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements in relation to solvency supervision and liquidity supervision. An annual SREP by DNB is part of this new framework. Capital requirements are, amongst other requirements, based on this SREP. At the date of this Prospectus, Delta Lloyd Bank Netherlands is still awaiting the final SREP 2015 decision from DNB, after having received a preliminary SREP 2015 decision on 14 January 2016. Delta Lloyd Bank Netherlands is currently corresponding with DNB in this regard. Prior to 1 January 2014, the Basel II regulations applied. Delta Lloyd Bank Netherlands' BIS ratio was 19.6% as at 31 December 2013.

Shareholders' funds

Shareholders' funds on a marked-to-market basis increased by 4% to EUR 2.6 billion at 31 December 2015 from EUR 2.5 billion at 31 December 2014, mainly due to the positive IFRS profit after tax and non-controlling interest and the equity offering in March 2015 offset by the cash payment of the 2014 final dividend and the 2015 interim dividend and negative impact on available for sale reserves. This followed a 6% decrease in 2014 to EUR 2.5 billion at 31 December 2014 from EUR 2.6 billion at 31 December 2013, due to a provision for the sale of Delta Lloyd Bank Belgium of EUR 134 million, the net impact of the mortgage valuation adjustment of EUR 144 million and the fair value movement of assets and liabilities. The IFRS profit after tax and non-controlling interest was EUR 128 million in 2015 compared to EUR 361 million and EUR 183 million in 2014 and 2013, respectively.

Solvency II

As of 1 January 2016, the insurance companies in the Group have been required to comply with Solvency II, the new solvency framework and prudential supervision and reporting regime which consists of a Directive (2009/138/EC) which was implemented into Dutch law as of 1 January 2016, a Delegated Regulation ((EU) 2015/35) which took effect 1 January 2016 and a number of technical standards and guidelines issued by EIOPA.

Solvency II completely overhauls the solvency framework and prudential supervision and reporting regime currently applicable to insurers and requires them to make adjustments in many areas to comply with this new regime. For a description of the Solvency II framework, see "*Supervision and Regulation—EU Regulatory Framework*".

Until 31 December 2015, the Group reported its solvency ratios based on the Insurance Group Directive (98/78/EC), as amended, using the Solvency I framework. As of the 31 December 2015, the Group's Solvency I ratio was equal to 177%, comprised of EUR 3.7 billion of available capital and EUR 2.1 billion of required capital on the basis of its IGD capital requirements. The Group's Solvency I ratio is no longer a regulatory measure and is only provided in order to give context to the Group's regulatory capital position immediately prior to its entry into the Solvency II regime. As of 1 January 2016, the Group has complied with the new Solvency II framework. In the first half of 2015, the Group observed volatility in its solvency ratio, which was caused predominantly by model adjustments, due to remaining uncertainties in the internal model. After a thorough analysis ordered by the Executive Board, the Group determined that it was necessary to recalibrate certain assumptions relating to operational risk and mortgage valuation, and change from a full to a partial internal model. The Executive Board conducted a full review of the partial internal model in the third quarter of 2015. This review concluded that the partial internal model continued to result in difficulties and produce volatile results. Consequently, the Group decided to switch to the more prescriptive SF under Solvency II and DNB will continue to review the appropriateness of the Group's use of the SF with a possible impact in 2017 at the earliest. As the Group believes that a partial internal model better reflects the risks than the SF, it will continue to update and test its partial internal model. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018.

As of 31 December 2015, the Solvency II ratio (SF) was equal to 131%,[34] comprised of EUR 3.9 billion of eligible own funds and EUR 3.0 billion of SCR, compared to a Solvency II ratio (SF) of 136% as at 30 September 2015, comprised of EUR 4.5 billion of eligible own funds and EUR 3.3 billion of SCR.

The Group has established a Solvency II ratio (SF) target range of 140% to 180% for capital management purposes. Based on the Group's own prudential view, a Solvency II ratio (SF) of:

- greater than 180%, would provide the Group with the opportunity for possible additional capital return to Shareholders;
- between 140% to 180% is within its target range;
- between 125% to 140%, would require the Group to take actions to improve the Solvency II ratio and also to review its dividend;
- between 105% to 125%, would mean the Group would have to put in place a Solvency II ratio remediation plan and consider possible actions to restore the Solvency II ratio to within the target range, and would suspend payment of dividends; and
- below 100% would mean the Group would have to submit a recovery plan to the regulator to restore solvency

(these are collectively known as a "ladder of intervention").

Despite the fact that the solvency framework has been implemented in several European guidelines and laws, exact details of the regulations and national interpretation of the Solvency II rules are still evolving or under development. Further and more detailed guidance from European and national regulators could impact the Group's results and affect the targeted ratios. There is a risk that the Issuer and the subsidiaries may be required to strengthen their capital policies relative to those set now or to be set in the future.

[34] The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

The Solvency II ratio is determined as the percentage of eligible own funds of the SCR. This is performed for each insurance entity and at Group level. For the Group, the relevant entities are: Delta Lloyd Leven, Delta Lloyd Life Belgium, Delta Lloyd Schadeverzekering, ABN AMRO Levensverzekering NV and ABN AMRO Schadeverzekering NV.

Solvency II ratio (SF) of various Group entities as of 31 December 2015

Entity	Eligible Own Funds	SCR	Solvency II Ratio(2)
	(in EUR billion, except percentages)		
Delta Lloyd Leven	2.8	1.9	149%
Delta Lloyd Life Belgium	0.8	0.6	124%
Delta Lloyd Schadeverzekering	0.6	0.4	171%
ABN AMRO Levensverzekering(1)	0.5	0.2	238%
ABN AMRO Schadeverzekering(1)	0.2	0.1	265%
Group	3.9	3.0	131%

(1) On a 100% basis (Delta Lloyd owns 51%).

(2) The LAC DT amount reflected in the Group's Solvency II ratio (SF) as at 31 December 2015 is based on certain assumptions, including the completion of the Offering and continued availability of certain credit facilities, related to the Company's ability to recapitalise other Group entities if required. The Group's Solvency II ratio (SF) as at 31 December 2015 does not reflect the capital requirements of, or capital held by, Delta Lloyd Bank Netherlands or Van Lanschot, as they are excluded from the Solvency II ratio (SF) calculation based on regulatory guidance from DNB that the OFS were to be consolidated based on the deduction method. As a result, credit institutions are excluded from OFS. It also includes a 7% point impact due to the treatment of the Group's equity risk under the transitional arrangements under Solvency II. Of this, 2% points are expected to run-off in the first quarter of 2016. Based on the current approach the remaining 5% points will run-off over 7 years. Under the transitional measure arrangements for equity, the Group is allowed to apply a lower stress level of 22% for equities purchased before 1 January 2016. The transitional measure stress level of 22% will gradually increase to the regular stress level over a period of 7 years.

The other Group entities listed below which carry out financial activities (both regulated and non-regulated) are included based on their relevant capital:

AIFMD regulations (Asset Managers):

- Delta Lloyd Asset Management NV, BeFrank NV and Project Holland NV

Premium Pension Institution:

- BeFrank PPI BV

Non-regulated entities carrying out financial activities[35]:

- Amstelhuys N.V., Delta Lloyd Treasury B.V. and Ohra Hypotheken Fonds N.V.

Delta Lloyd Bank Netherlands and the participation in Van Lanschot are not included in the Solvency II ratio of the Group. This is in line with the Solvency II regulations for deducting credit institutions for Group solvency purposes. Accordingly, Delta Lloyd Bank Netherlands and Van Lanschot have been deducted from both the eligible own funds (EUR-520 million) and from the SCR (EUR-405 million).

Eligible own funds is based on three tiers of capital:

Tier 1 capital. Available tier 1 capital is made up of own-fund items which are of a high quality and which fully absorb losses to continue as a going concern. The reconciliation reserve (as prescribed in the Solvency II regulations), paid-in Ordinary Share capital and related share premium account, preference shares and related share premium account and certain subordinated liabilities comply with the characteristics to be classified for available tier 1 capital. Subordinated liabilities, preference shares and own fund items subject to transitional arrangements, which qualify as tier 1 available capital are restricted to 20% of the tier 1 eligible own funds. Therefore, these items are classified as restricted tier 1 capital. The reconciliation reserve is part of the excess assets over liabilities from the Solvency II balance sheet, based on the valuations defined in the Solvency II regulations, corrected for own fund items classified separately (e.g. Ordinary Share capital, preference shares and deferred taxes). The Solvency II valuations of the assets are, whenever possible, based on market information.

35 Required capital levels are based on notional capital requirements, which are in turn based on the sectoral rules that would be applicable if the entity were regulated.

When this information is not easily accessible or reliable, the Company has used other information to determine asset values: in particular, for the real estate portfolio, market values are derived from expert appraisals of independent third parties and mortgage values are based on a bottom up valuation of mortgage spreads and risks. Technical provisions are based on best estimate liabilities, discounted with the prescribed Solvency II valuation curve including a volatility adjustments and a margin for uncertainties (risk margin). The best estimate liabilities are based on the contractual agreements with the insured clients taking into account the Solvency II defined contract boundaries, industry wide information on mortality and morbidity and the Company's own experience studies on expenses, lapses and surrenders, mortality and morbidity.

These best estimate assumptions and the models used to derive these best estimate liabilities are adjusted and validated in the third quarter on a yearly basis, applying a method and assumption setting cycle ("MASC"). In this yearly review, all methods and assumptions used to determine provisions and the liability adequacy tests are adjusted and validated. Each model and each assumption is determined based on the most recent available internal and external data. As a result, the impact from changes in methods and assumptions are only expected to occur in third quarter reports. However, for some assumptions, adjustments must be made on a more frequent basis. Any other exceptions to the MASC can only be requested through a formal dispensation process.

The margin for uncertainty is based on the annual cost of holding the capital required for uncertain risks (e.g. mortality, morbidity, lapse, expense and operational). The annual cost is presubscribed in the Solvency II regulation as 6% and the required capital amounts are based on the prescribed stress parameters from the Solvency II SF. The risk margin is the present value of all costs over the relevant exposure period, discounted by the Solvency II valuation curve, excluding the volatility adjustment.

Tier 1 restricted capital is composed of restricted tier 1 basic own funds (being instruments similar to additional tier 1 instruments issued by banking groups, preference shares, as well as grandfathered tier 1 instruments issued under Solvency I). The restricted Tier 1 of the Group consists of two subordinated loans that have been grandfathered into Solvency II for a maximum period of up to 10 years from 1 January 2016, the Fonds NutsOhra loan[36] of EUR 404 million[37] (market value of EUR 427 million) and a perpetual non-call fixed to floating loan of EUR 750 million (market value of EUR 803 million). Only a maximum of 20% of Tier 1 capital excluding OFS[38] can be recognised as restricted Tier 1 capital. Accordingly, while the Group has EUR 1,230 million in qualifying subordinated loans, only EUR 491 million can be recognised as restricted Tier 1 capital as the total amount of such capital amounts to EUR 3,194 million. The Group has, however, received approval from the supervisor for the Fonds NutsOhra loan to be recognised as eligible capital for the purposes of Solvency II until the end of 2018. It will need to be amended or replaced after this period in order to remain eligible as Tier 1 capital.

Tier 2 capital. Tier 2 capital is comprised of Tier 2 basic own funds and ancillary own funds which meet the criteria set forth in the Solvency II Delegated Regulations, but do not meet the requirements for Tier 1 capital. The Group's Tier 2 basic own funds capital is comprised of a subordinated loan issued by DLL. The series of loan notes are fixed to floating rate subordinated notes, with a nominal amount of EUR 500 million (market value of EUR 538 million) and are due in 2042. This loan is fully recognised at the Group level, as it meets the criteria set forth in the Solvency II Delegated Regulations. Restricted Tier 1 capital which cannot be recognised as Tier 1 capital due to the 20% cap (EUR 739 million) is also included as Tier 2 capital. In total the Group has EUR 1,277 million of recognised Tier 2 capital. Tier 2 capital is restricted to 50% of the SCR excluding OFS (when aggregated with Tier 3 capital).

Tier 3 capital. Tier 3 capital is the capital from a net deferred tax position, derived from the Solvency II balance sheet and Tier 3 basic and ancillary own funds, which is not recognised as either Tier 1 or Tier 2 capital in the Solvency II Delegated Regulations. Tier 3 capital cannot exceed 15% of the SCR excluding OFS. The Group has a total of EUR 159 million in Tier 3 capital.

As Van Lanschot is a listed company, only public information up until the first half of 2015 is available and can be used to determine the relevant required capital.

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36 Grandfathered for a maximum period of up to 3 years from 1 January 2016, based on discussions with DNB.

37 Notional amount of subordinated loan at 31 December 2015.

38 The available capital for OFS is EUR 29 million as at 31 December 2015 for the Group. This capital is excluded from the calculation of the eligible own funds tiering. However, it is included in the presentation of available own funds and eligible own funds as part of unrestricted Tier 1 capital.

The following table sets out a breakdown of the Group's consolidated available and eligible own funds as at 31 December 2015.

Tier Capital as at 31 December 2015	Available Own Funds (EUR millions)	Eligible Own Funds (EUR millions)
Unrestricted Tier I capital	1,993	1,993
Restricted Tier I capital	1,230	491
Tier 2 capital	538	1,277
Tier 3 capital	278	159
Own funds	4,039	3,920

Restricted Tier 1, Tier 2 and Tier 3 capital are subject to quantitative limits (as described above). As at 31 December 2015, aggregated Tier 2 and Tier 3 capital exceeds the limit of 50% of the SCR excluding OFS, resulting in non-eligible capital of EUR 118 million, which is the difference between 'available' and 'eligible' own funds in the table above.

The eligible own funds and Solvency II balance sheet have been derived from the IFRS balance sheet, which is mostly at market value. The following table provides a reconciliation between the IFRS net asset value and the eligible own funds.

As at 31 December 2015	EUR million
IFRS Net asset value before non-controlling interests	2,812
Revaluation of (Re-)Insurance liabilities(1)	+269
Revaluation of loans and mortgages(2)	+955
Other revaluations(3)	-762
Tax effect of revaluations(4)	-256
Excess Assets over liabilities(5)	3,018
Sub debt in Own funds	+1,768
Non-controlling interests(6)	-227
Exclusion of credit institutions(7)	-520
Non-eligible own funds(8)	-118
Eligible own funds(9)	3,920

(1) Use of Solvency II valuation curve instead of collateralised AAA curve. Use of best estimate demographic and operational assumptions. Risk margin based on SF capitals and 6% cost of capital.
(2) All loans and mortgages revalued to market value.
(3) Revaluation of subordinated debt, eliminations of intangibles and other market value corrections.
(4) Net tax effect of all revaluations including recoverability analysis.
(5) Solvency II net asset value.
(6) ABN AMRO Levensverzekering N.V. and ABN AMRO Schadeverzekering N.V.
(7) Delta Lloyd Bank Netherlands and Van Lanschot
(8) Amounts of funds or sub-debts not recognised as capital.
(9) Solvency II eligible capital.

Solvency capital requirement

The Solvency II framework is risk-based, in contrast to the previous Solvency I framework, which was volume-based. Therefore, the composition of the asset and liability profile of the Group has an effect on the Group's required regulatory capital. The Group's required capital for the insurance related business is as follows:

Required Regulatory Capital as at 31 December 2015	EUR million
Market risk(1)	2,255
Default risk	596
Life risk	1,165
Non-life risk	369
Health risk	147
Total risk factors	**4,532**
Diversification benefit	-1,335
Basic SCR	**3,196**

(1) Market risk is allocated to the following risks (percentages): credit spread 50%, equity 18%, currency 10%, property 9%, concentration 8%, interest rate 5%.

On top of the basic SCR, Solvency II recognises three other capital factors:

Other Capital Factors as at 31 December 2015	EUR million
Capital for operational risks	211
LAC DT and LAC Technical Provisions ("TP")	-535
Capital for other financial sectors, based on their own sector regulations	129

The capital requirements for DLAM, BeFrank, Ohra Hypotheken Fonds N.V., Delta Lloyd Treasury and Amstelhuys, which operate in other financial sectors, are determined based on the Pillar 1 and Pillar 2 CRD IV requirements based on year-end 2015 profile and valuations. As previously discussed, Delta Lloyd Bank Netherlands and Van Lanschot are excluded from other financial sectors based on guidance from DNB. The impact on the SCR of this exclusion was a reduction of EUR 405 million.

This leads to a total SCR for the Group of EUR 3,001 million.

LAC DT can be used as an offset against the SCR. LAC DT refers to the level of contingent deferred tax arising in the case of a 1-in-200 stress event. On 23 February 2016, the Group received a letter from DNB notifying it that for the Dutch entities the Group can utilise LAC DT on the SCR for its Dutch entities subject to the following conditions:

- The commitment on liquidity plans of the Group to the entities had to be finalised before 15 March 2016, which it was;
- The Group must deliver updates of the LAC DT substantiations that it originally provided for all entities to DNB if the Offering is insufficient to meet the assumptions in the original LAC DT substantiations allowing DNB to reassess LAC DT; and
- Future guidance of EIOPA and other new facts and developments, including ongoing discussions on LAC DT, may change DNB's position on the requirements for the substantiation of LAC DT (beginning with the Group's 31 December 2016 reporting).

LAC DT cannot be realised unless insurance companies are able to demonstrate that future profits will be available to utilise the deferred taxes. When doing so, an insurance company should also consider the impact of the shock loss (i.e., SCR without LAC DT included) on its current and future situation. Specifically, an insurance company should include the following in the description of its financial position after shock loss:

- It should determine whether after the occurrence of the shock loss, it still has sufficient eligible own funds at its disposal to continue complying with the MCR and SCR balance sheet. In addition, it should also take into consideration the limits applicable to Tiers 1, 2 and 3 of its own funds.
- If post shock loss, it would not comply with the SCR appropriate to its post shock loss balance sheet, it should explain which measures it plans to take to ensure that it will once again meet the SCR within the applicable time period required under Solvency II. In addition, it should take into consideration the limits to Tier 1, 2, and 3 of its own funds. After implementation of such measures, it should show that it has sufficient eligible owns funds at its disposal to comply with the MCR and SCR.

Both DLL and Delta Lloyd Schadeverzekering conducted a detailed investigation on different scenarios regarding how much profit would be made following a loss equal to the SCR. The profits made following such loss scenarios reflect:

- The recovery of DLL or Delta Lloyd Schadeverzekering (after the loss equal to the SCR) to MCR compliance within 3 months by execution of an MCR finance scheme.
- The recovery of DLL or Delta Lloyd Schadeverzekering to SCR compliance within 9 months by execution of an SCR recovery plan.

The MCR finance scheme and the SCR recovery plan are composed of additional building blocks, which require the ring-fencing of some Group liquidity. The Executive Board has approved on 8 March 2016 the finance schemes of DLL and Delta Lloyd Schadeverzekering and the current liquidity policy of the Group will be updated in order to provide the necessary liquidity for capital injections into DLL and Delta Lloyd Schadeverzekering in case of an emergency situation. The MCR finance scheme will be established upon completion of the Offering. Approximately 60% of the MCR finance scheme depends on the Offering. DLL and Delta Lloyd Schadeverzekering considered a wide range of outcomes and have quantified uncertainties around the impact of the recovery plan on future profits. The scenarios considered for taxable profit projection are: prudent lower bound, realistic lower bound, conservative estimate, best estimate and theoretical maximum. DLL and Delta Lloyd Schadeverzekering committed to DNB to use the realistic lower bound scenario to determine the LAC DT. This scenario includes significant de-risking of assets and a restricted profit projection period, leading to a lower bound of projected taxable profit.

ABN AMRO Levensverzekering N.V. (“AAL”) and ABN AMRO Schadeverzekering (“AAS”) are still expected to have a strong financial position after a shock loss. Therefore, no additional liquidity plan or recovery plan was required. The LAC DT for AAL and AAS are based on the theoretical maximum which is substantiated by the tax recoverability model.

The total LAC DT of EUR 524 million comprises EUR 437 million for DLL and Delta Lloyd Schadeverzekering and EUR 87 million for AAL and AAS. The LAC DT represents 58% of the theoretical maximum for all Group entities.

DNB informed the Group that it must deliver updates regarding the relevant substantiations for all entities for the fourth quarter 2016 reporting as well as if the Offering proves to be insufficient to meet the assumptions in the LAC DT substantiations. This will allow DNB to reassess LAC DT. Based on the assumption that DLL and Delta Lloyd Schadeverzekering will not be able to recognize LAC DT as a whole, the Group estimates that the impact of the disallowance of the eligible LAC DT amounts to EUR 437 million and would result in a greater than 10% point negative impact on the Group’s Solvency II ratio (SF).

The Solvency II ratio (SF) is subject to changes in capital markets as well as changes in the operational and demographic environment. In order to show the potential effects of changes to these environments, the Group has performed sensitivity analyses on the most important risk factors for determining the solvency ratio. In determining these effects, the eligibility of capital as well as the changes to the SCR have been taken into account. The results of various sensitivity analyses performed by the Group are listed below:

Sensitivities of the Group’s SF Solvency II ratio and Group’s IFRS shareholders’ Funds to various changes in economic and other circumstances	Impact on Group’s Eligible Own Funds	Impact on Group’s SCR	Percentage point impact on Group’s SF Solvency II ratio	Impact on Group’s IFRS Shareholders’ Funds	Pro forma percentage point impact on Group’s SF Solvency II ratio post Offering[(1)]
	(EUR millions, unless otherwise stated)				
Base case results	3,920	3,001	131%	2,569	156%
Effect of 50 basis point increase in credit spreads over the swap curve for fixed income assets and 28 basis point increase in volatility adjustment used to value the insurance liabilities[(2)]	-441	-1	-15%	-615	-13%
Effect of 50 basis point decrease in credit spreads over the swap curve for fixed income assets and 28 basis point decrease in volatility adjustment used to value the insurance liabilities[(2)]	427	140	8%	672	3%
Effect of 50 basis point increase in funding spreads over the swap curve for mortgages	-315	-71	-8%	-27	-5%
Effect of 50 basis point decrease in funding spreads over the swap curve for mortgages	292	32	8%	27	4%
Effect of 25 basis point increase in interest rates, without a change to the UFR	-150	-80	-2%	-66	1%
Effect of 25 basis point decrease in interest rates, without a change to the UFR	126	94	0%	78	-2%
Effect of 50 basis point steepening in interest rates between duration years 20 and 45, without a change to the UFR	-447	55	-17%	n.a.	-16%
Effect of a 10% increase in equity values[(3)]	256	24	7%	123	4%
Effect of a 10% decrease in equity values[(3)]	-268	-28	-8%	-125	-6%
Effect of a 10% increase in property values	180	15	5%	100	3%
Effect of a 10% decrease in property values	-180	-15	-5%	-100	-4%

(1) This assumes receipt of gross proceeds of EUR 650 million from the Offering.

(2) The volatility adjustment is not applicable under IFRS and so has no impact on IFRS Shareholders’ Funds.

(3) IFRS equity sensitivities are determined taking into account a beta factor of 84%. For further information, see also “*Risk Management—Sensitivity analysis*.”

The Solvency II sensitivities are determined excluding the impact on entities which operate in other financial sectors (Delta Lloyd Bank Netherlands, Van Lanschot, DLAM, BeFrank, Ohra Hypotheken Fonds N.V., Delta Lloyd Treasury and Amstelhuys). Furthermore sensitivities are determined under the assumption that tax effectiveness is unaffected, which means that deferred tax asset recoverability and LAC DT remain unchanged.

In the second to last column in the table above, 'Impact on Group's IFRS Shareholders' Funds' are included to the extent available. When comparing Solvency II and IFRS sensitivities the following main differences should be taken into account:

- Solvency II sensitivities exclude other financial sectors while these are included under IFRS;
- Eligibility impact is included in the Solvency II sensitivities, while IFRS sensitivities show direct impact on available shareholders' funds;
- Credit spread sensitivities for IFRS exclude (sub)sovereign and collateralised AAA bonds, which are included in Solvency II sensitivities;
- Equity sensitivities for IFRS exclude alternatives, which are included in Solvency II sensitivities;
- Funding spread sensitivities under IFRS only include part of the mortgage portfolio since not all mortgages are at fair value under IFRS. In addition NHG mortgages are excluded in the funding spread sensitivity under IFRS; and
- The volatility adjustment is not applicable under IFRS.

Credit spread and volatility adjustment risk

Sensitivity is shown to increase or decrease in spreads for all fixed income assets, including sovereign bonds but excluding mortgages. A spread widening in the credit market does not necessarily imply a change in spreads in the mortgage market. Therefore the Group believes it is more appropriate to show a separate (funding) spread impact for mortgages. Furthermore, a combined sensitivity for changes in credit spreads and volatility adjustment is presented. A 50 bps spread change in the credit and sovereign bond market will automatically lead to a change in the volatility adjustment, this change is formula based and results in a 28 bps change in volatility adjustment. The change in volatility adjustment provides an offsetting element when credit spreads widen.

Funding spread risk

The sensitivity to a widening or tightening of funding spreads shows the impact on the fair value of mortgages when funding spreads above the swap curve change. Furthermore, for Solvency II the spread risk on savings mortgages is included in the funding spread sensitivities. The bottom-up spread for determining the fair value of the mortgage portfolio depends on spreads obtained from the residential mortgage-backed securities ("RMBS") market. The bottom-up spread is compared with a top-down benchmark and is adjusted when the bottom-up spread is outside the benchmark. In determining the mortgage sensitivities the assumption is made that both the bottom-up spread and the top-down benchmark change by 50 bps.

Parallel interest rate risk

Parallel interest rate risk sensitivities show the impact of a parallel change in interest rates by 25 bps taking into account a fixed UFR. This means that assets are impacted by 25 bps for all durations, but for liabilities the interest change gradually declines after a duration of 20 years due to convergence to the UFR.

Interest rate steepening risk

The impact of a 50 bps steepening in the yield curve between duration years 20 and 45 is based on a scenario with a linear interest rate increase of 2 bps from year 20 until year 45 where it reaches +50 bps. After year 45 the interest rate increase remains fixed at +50 bps. This sensitivity shows the effect of asset value changes for assets longer than 20 years, whereas liabilities are unaffected by interest rate changes after 20 years due to convergence to the UFR.

Equity risk

The equity sensitivities reflect the effect of a change of 10% in equity values applicable to ordinary shares, 5% participations, investment funds, alternative investments and derivatives. The effect of the equity sensitivities comprises of both direct asset impact and of the second order effect on insurance liabilities regarding investment contracts.

Property risk

The property sensitivities reflect the effect of a change of 10% in directly owned property values applicable to offices, residential, retail and other property.

See also "*Risk Factors—Financial Risks— The effect of the Longevity Derivatives is partially reflected in the Group's Solvency II ratios and following discussions with DNB, such treatment is time limited unless certain conditions are satisfied."*

In addition to these market sensitivities, the effect of a review of the UFR has also been determined by the Group. EIOPA has announced a review of the UFR in 2016, which could lead to a change in the UFR. Currently, there is no set proposal for the amount of change in the UFR. For illustrative purposes only, if the UFR were to decrease by 100 basis points to 3.2%, the Group estimates, based on certain important assumptions, that its Solvency II ratio (SF) as at 31 December 2015 would decrease by 33%. It is important to note that this estimate is for illustrative purposes only and that the relationship between the Group's Solvency II ratio (SF) and a change in the UFR is not linear. For further information, see *"Risk Factors—Financial Risks—Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group's business, results of operations, financial condition and prospects*."

The Group has discussed the Solvency II treatment of its Longevity Derivatives with DNB, as described in "*Business—Material Contracts—Longevity Derivatives*".

Economic capital

In May 2015, the Group applied to DNB, as its group supervisor, to use an internal model for its insurance entities in the Netherlands and Belgium. During the application process, the Group changed the application from a full internal model for determining its regulatory capital into a partial internal model. The Group has been using its own methodology to calculate economic capital for internal purposes for a number of years. While the Group's internal model provides helpful visibility and the Group considers it to be an important cornerstone of its risk management framework, the Group nonetheless concluded that for Solvency II purposes it would utilise the SF to calculate its SCR. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018.

On 14 December 2015, S&P downgraded DLL and Delta Lloyd Schadeverzekering's long-term counterparty credit and insurer financial strength ratings from "A" to "A-", CreditWatch negative. At the same time, S&P downgraded the counterparty credit rating of Delta Lloyd N.V. from "BBB+/A-2" to "BBB/A-2", the ratings of Delta Lloyd Treasury B.V. from "A-/A-2" to "BBB+/A-2" and placed all related debt ratings on CreditWatch negative. The downgrading on 14 December 2015 referred to above, reflected S&P's view that the Group's capital adequacy position has weakened and was lower than previous expectations, any earnings volatility could hamper efforts by the Group to build sustainably strong capital buffers, very low-yield interest rate environment the Group operates in and the high level of guaranteed products in its life insurance business book could further exacerbate the Group's volatility of capital and earnings and a reassessment of Group management and governance. S&P will reassess the CreditWatch placements in light of the Offering. *See also "Capitalisation and Indebtedness"*.

The current S&P ratings of the Company and certain of its subsidiaries are listed below:

S&P ratings

Group company	***Rating***
Delta Lloyd Levensverzekering N.V.	A-/Watch Neg
Delta Lloyd Schadeverzekering N.V.	A-/Watch Neg
Delta Lloyd N.V.	BBB/Watch Neg
Delta Lloyd Treasury B.V.	BBB+/Watch Neg

Critical Accounting Policies

Principal Accounting Policies, Estimates and Judgements

The Group has identified the accounting policies that are most critical to its business operations and to the understanding of its results. These critical accounting policies are those which involve the most complex or subjective decisions or assessments, and relate to insurance liabilities, pension obligations, the determination of the fail values of real estate and financial assets and liabilities, impairments and employee benefits. In each case, the determination of these items is fundamental to the financial condition and results of operations, and requires management to make complex judgements based on information and financial data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, as the use of different assumptions or data could produce materially different results. For a further discussion of the application of these accounting policies, see the applicable notes to the 2015 Financial Statements.

Insurance liabilities

In accordance with IFRS 4 'Insurance contracts' all insurance and discretionary participating feature investment contract liabilities are recognised on the basis of local pre-IFRS accounting policies with certain adjustments allowed under IFRS. The Group uses the Collateralised AAA curve as market interest rate to measure the insurance liabilities for most of its products. In 2015 the insurance liabilities of Delta Lloyd Deutschland were transferred to Athene. These insurance liabilities were reclassified to the held for sale category at year-end 2014.

The Collateralised AAA curve is defined as the higher of the DNB swap curve and a yield curve derived from collateralised AAA euro area bonds. Since 30 June 2013, the Group has adjusted the extrapolating method of the Collateralised AAA curve by using a UFR because the long end of the Collateralised AAA curve had been comprised over a longer period on a very limited number of constituents. The yield-curve is extrapolated using the Smith-Wilson method after the last liquid point. The last liquid point is 20 years, the convergence period 40 years and the UFR of 4.2% was 31 December 2015 (unchanged since 30 June 2013). Each reporting period the Group assesses whether the long end of the curve can be derived from sufficient observable market inputs. If that is the case, the Group will cease to apply the extrapolation approach and will use the collateralised AAA euro area bonds curve for the long end of the curve. If no sufficient relevant observable market inputs are available, the Group will continue to estimate current market interest rate using the described extrapolation approach while reassessing the parameters used. Each reporting date, the Group assesses whether the used extrapolation method is still acceptable as 'current market interest' under IFRS. Based on this assessment, the Group considers the Collateralised AAA curve including extrapolation to a UFR of 4.2% a sufficient representation of current market interest rate at year-end 2015.

The Group applies a MASC. In this cycle, all methods and assumptions used to determine provisions and the liability adequacy tests are adjusted and validated. For IFRS the Group uses a market interest rate to measure the insurance liabilities combined with historical tariff rates and a best estimate for longevity. The corresponding liabilities are confronted with a liability adequacy test, based on best estimate assumptions and liabilities are increased to the best estimate in case a deficit exists.

Income taxes

The tax expense is based on the taxable profits for the year, after any adjustments made for previous years and after any changes in deferred tax assets and liabilities. Tax is allocated to the result before taxation or to the reserves, as appropriate.

Deferred tax assets and deferred tax liabilities are recognised on all material temporary differences between the tax base of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to use these tax assets. Deferred tax is presented on a net basis per fiscal entity. The principal temporary differences arise from depreciation of property, revaluation of financial assets and liabilities, including derivatives, insurance liabilities, pension obligations, other post-retirement benefits and tax losses carried forward. The rates enacted or decided upon on the reporting date are used to determine the deferred tax.

The full amount of tax assets and liabilities is expected to be recoverable or payable.

The Group has obtained confirmation from the tax authorities, pursuant to Article 20a(10) of the Dutch Corporate Income Tax Act 1969 (Wet op de vennootschapsbelasting 1969), that the Offering will not limit the Group's utilisation of its deferred tax assets recorded on its balance sheet at the time of the Offering.

The deferred tax assets and liabilities of companies that are part of the corporate tax entity Delta Lloyd NV are cumulated. The same approach is used for the corporate income tax entity Delta Lloyd ABN AMRO Verzekeringen Holding BV.

In the Netherlands, losses are carried forward to a maximum of nine years. The tax loss of the Dutch fiscal entity Delta Lloyd NV is expected to be compensated within the available time frame. Taxable losses are recognised at an amount of EUR 324.3 million. The future taxable profits are based on the expected future commercial profits and cash flows as determined by the business, which are then recognised from a tax perspective and set off against the losses.

Life insurance business

The actuarial valuation of liabilities arising under life insurance contracts involves discounting of expected premiums and benefits payments. The Group generally uses the net premium method. Under the net premium method, the premium taken into account in calculating the provision is determined actuarially using policies on discount rates, mortality and disability. The difference between this net premium and the actual premium received provides a margin for expenses. This method does not allow for voluntary early termination of the contract by the policyholder. Explicit provision is made for vested bonuses, including those vesting contractually following the most recent investment valuation. No such explicit provision is made for the majority of future annual terminal bonuses.

Profit sharing in the Netherlands is non-discretionary and the timing and/or level thereof is based on an external standard (such as the U-return). In contrast, profit sharing in Belgium is discretionary. In Germany, profit sharing was based on realised interest income and the underwriting result.

Provisions are also formed for the longevity risk associated with certain types of individual and group life insurance contracts as the original life expectancy assumptions are no longer prudent. At the end of 2014 and 2015, the longevity provision was valued on the basis of AG2014, the most recent mortality table published by the Dutch Society of Actuaries (*Actuarieel Genootschap*). The AG2014 mortality table is adjusted for mortality experience, based on observed differences between mortality in the Group portfolio compared to the mortality in the entire population as observed by CBS. Furthermore, an explicit risk margin is included in the longevity provision.

Life insurance business provisions are calculated separately for each life operation, based on local generally accepted interest rates and published standard mortality tables for different categories of business as appropriate. The provisions are based on assumptions including a margin for prudence. The assumptions used in the calculations and any estimated margin for prudence depend on the specific situation of the entities involved. The provision for guaranteed benefits for participating insurance contracts is calculated, like all other insurance provisions, in accordance with prevailing actuarial principles using a deterministic approach and a prudent set of valuation assumptions. Other options in insurance contracts (including guarantees in unit-linked contracts) are measured stochastically at fair value. Related changes in value are recognised through profit or loss.

Unit-linked policies and separate investment portfolio (*Gesepareerde Beleggingsdepot*, “GSB”), which are classified as insurance contracts, are valued based on the same principles as those used to measure the investments on behalf of policyholders. Any additional provisions that are needed to cover mortality risks or guaranteed surrender values are included in the insurance provisions where the insurer carries the investment risk. If the policyholder carries the investment risk, stochastically measured minimum return guarantees are recognised in the insurance provision. The liability adequacy test is performed to ensure the total insurance liabilities are sufficient: in other words, the insurance liabilities recognised in the statement of financial position must be higher than the best estimate of the insurance liabilities plus the risk margin.

The liability adequacy test for life insurance business provisions is conducted on each reporting date; losses will be recognised in the income statement when they occur. The adequacy test is established taking into account explicit best estimate assumptions for future profit sharing, discount rates, mortality and disability, early termination of the contract by the policyholder and future expenses. It also takes into account the risk margin and time value of options and guarantees in the insurance contracts. The test considers current estimates of all contractual and related cash flows, such as administration costs, as well as cash flows resulting from embedded options and guarantees.

Embedded derivatives (such as options and guarantees) are measured at fair value. The 'best estimate' provision (including the intrinsic value and time value of options and guarantees) is increased by a risk margin for unhedgeable insurance risks, based on a 4% (2014: 4%) cost of capital approach.

The test is performed for each portfolio component at company level. The portfolio components are classified as 'group' and 'individual', and then broken down into 'traditional' and 'unit-linked'. Traditional is broken down further into participating and non-participating contracts. Unit-linked is broken down further into contracts with and without guarantee.

An additional test is conducted at Group level, which takes into account the unhedgeable financial risks. Financial risks are defined as risks that the Group is exposed to as a whole, including credit, equity, investment property, interest, inflation and currency risk, insurance risks and liquidity and capital management.

If the tests performed at business level or at group level show that the provision is inadequate, the entire deficiency is charged to the income statement. When the provision in the Netherlands and Germany becomes adequate again, no release is made to the income statement. In Belgium, the adequacy test is leading.

General insurance business

Claims provisions for general insurance are based on the estimated ultimate cost (including claims handling expenses) of all claims incurred but not settled at the reporting date, whether reported or not. The outstanding claims provisions are continually refined as part of a regular ongoing process as claims experience develops, losses are settled and further losses reported. Movements in provisions are taken to the income statement. The provision required for benefit payments for individual occupational disability class B (post first-year risk) and WIA (Work and Income (Capacity for Work) Act (*Wet werk en inkomen naar arbeidsvermogen*)) and WAO (Invalidity Insurance Act (*Wet op de arbeidsongeschiktheidsverzekering*)) was established using best estimate principles. The benefit provision is the discounted fair value of expected future cash flows including recovery and mortality probabilities. Outstanding claims provisions include a margin for prudence. According to the Group's guidelines, each business unit's margin for prudence must ensure that the level of adequacy for the majority of the general insurance business provisions (except disability contracts) is within a set range.

The majority of the general insurance provisions are valued on an undiscounted basis. The provision for disability is valued on a discounted basis based on the Collateralised AAA curve.

For general insurance, the proportion of written premiums, gross of commission payable to Intermediaries, attributable to subsequent periods, is deferred in a provision for unearned premiums. Changes in this provision are taken to the income statement during the risk period in question to ensure the premium reflects the insured risk throughout the policy period. An additional premium reserve, the unexpired risk reserve, is formed for contracts with a lower premium compared to the actuarial required premium, if no compensation is available in premium surplus within other products for segments property and casualty and disability, respectively.

The liability adequacy test for the total provisions tests whether the total provision recognised in the statement of financial position is greater than the best estimate of the provision, including a risk margin based on a 4% (2014: 4%) cost of capital. If positive, the difference between these two amounts is called the prudence margin in the total provision. The ultimate level of outstanding claims provision is estimated by using a range of standard actuarial claims projection techniques. The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence the ultimate cost of claims. Premium provisions are tested against a best estimate based on the expected COR.

For property and casualty products and accident and absenteeism products, the claims provision is tested against a lower and upper boundary. Any deficit with respect to the lower boundary or any margin against the upper boundary is taken to the income statement. For disability products the adequacy is tested against a lower boundary based on a 4% (2014: 4%) cost of capital.

The Group is subject to various periodic insurance-related assessments or guarantee fund levies. Provisions related to these are established when there is a present obligation (legal or constructive) resulting from a past event. Such amounts are not included in insurance liabilities but are disclosed under note 4.1.7.30 '*Provisions for other liabilities*' in the 2015 Financial Statements incorporated by reference herein except for provisions for the Dutch Vehicle Insurers' Guarantee Fund (*Waarborgfonds der Motorrijtuigenverzekeraars*), which are part of the incurred but not reported ("IBNR") reserves.

Liabilities for Investment Contracts

Investment contracts are those that do not transfer significant insurance risk from the contract holder to the risk bearer and are therefore treated as financial instruments.

Liabilities for discretionary participating investment contracts

Liabilities for discretionary participating investment contracts are measured at fair value and treated in the same way as life insurance contracts.

Liabilities for non-participating investment contracts

Liabilities for non-participating investment contracts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Liabilities for non-participating investment contracts are measured at amortised cost, with the exception of unit-linked liabilities. The fair value of the liability is initially established through the use of prospective discounted cash-flow techniques. For unit-linked policies, the value of the liability equals the fair value of the investments, plus a provision, if required, for guaranteed returns. For unit-linked policies, deferred acquisition costs and a deferred income reserve liability are recognised for transaction costs and front-end fees respectively. These relate to the management of investments and are amortised systematically over the contract term.

Amortised cost is calculated as the fair value of the consideration received on the date of initial recognition, less the net effect of initial payments such as transaction costs and front-end fees. During subsequent periods, the cumulative amortisation (using the effective interest rate method) of any differences between that initial amount and the maturity value are either added or deducted, less any write-down for surrender payments. The effective interest rate is the rate at which the discounted cash payments are equal to the initial amount. On each reporting date, the amortised cost provision is determined as the estimated value of future cash flows discounted at the effective interest rate.

Liabilities for unit-linked contracts

For unit-linked investment contracts, the value of the liability equals the fair value of the investments, plus a provision, if required, for guaranteed returns. A deferred acquisition cost and a deferred income reserve liability are recognised for transaction costs and front-end fees respectively. These relate to the management of investments and are amortised systematically over the contract term.

Pension Obligations

The Group operates a number of defined benefit and defined contribution plans in all countries in which it operates. The assets of these are generally held in separate investment deposits. To finance the pension plans, contributions are paid by the relevant subsidiaries and employees.

For defined benefit plans, the pension expenses and obligations are assessed using the projected unit credit method. The cost of providing pensions is charged to the income statement to spread the regular cost over the service life of employees, in accordance with actuarial calculations. Additionally, the pension cost includes the interest cost and expected return on plan assets. The pension obligation is measured as the present value of the estimated future outflows using a discount rate based on market yields for high-quality corporate bonds. The net asset or liability in the statement of financial position is the difference between the liabilities and the qualified plan assets at fair value. These assets are held by a fund that is legally separate from the Group, with the exception of non-transferable financial instruments issued by the Group. They may only be used to pay employee benefits; they may not be used to meet any other obligations of the Group. Actuarial gains and losses are recognised in other comprehensive income. In the Netherlands, Delta Lloyd Pensioenfonds has reinsured most of its pension obligations with DLL. As a result, the related investments do not qualify as plan assets. To avoid double stating the assets and liabilities, the insurance liabilities and the associated cash flows have been eliminated.

For defined contribution plans, the Group pays contributions to collective or individually administered pension plans. Once the contributions have been paid the Group, as an employer, has no further payment obligations. The Group's contributions are charged to the income statement.

Financial Assets and Liabilities

The Group classifies its investments as financial assets at fair value through profit or loss ("FVTPL"), available-for-sale financial assets ("AFS"), or loans and receivables. The classification depends on the purpose for which the investment was acquired and is determined when initially recognised. In general, the FVTPL category is used where this eliminates an accounting mismatch.

The category FVTPL has two sub categories—those that meet the definition as being 'held for trading' ("HFT") and those the Group chooses to designate as FVTPL (referred to as "other than trading" or "OTT"). Derivatives are classified in the HFT category.

Investments classified as HFT, OTT and AFS are measured at fair value. Changes in the fair value of investments HFT and OTT are accounted for in the income statement in the period in which the value change occurs. Changes in the fair value of investments classified as AFS, other than impairment losses and relevant foreign exchange gains and losses, are recorded in the revaluation reserve within equity.

Certain securitised mortgages and related liabilities are managed on the basis of fair value. The Group also evaluates their performance on the basis of fair value, in line with its risk strategy. These securitised mortgages and related liabilities are recognised as 'financial assets or liabilities at fair value through profit or loss'.

All other loans and receivables and other liabilities are initially measured at fair value (including transaction costs) and subsequently measured at amortised cost.

Debt and equity securities

Investments classified as HFT, OTT and AFS are measured at fair value. The fair value of investments is measured using the fair value hierarchy as described in note 4.1.7.37 '*Fair value of assets and liabilities*' in the 2015 Financial Statements incorporated by reference herein. Changes in the fair value of investments HFT and OTT are accounted for in the income statement in the period in which the value change occurs. Changes in the fair value of investments classified as available for sale, other than impairment losses and relevant foreign exchange gains and losses, are recorded in a specific investment revaluation reserve within equity. When investments classified as available for sale are sold or impaired, the accumulated fair value adjustments are transferred out of the revaluation reserve to the income statement.

Purchases and sales of investments are recognised at fair value when the trade occurs; i.e. the date that the Group commits to purchase or sell the assets. Transaction costs directly attributable to the initial acquisition of investments are recognised as follows:

- Transaction costs for investments designated at fair value through profit or loss are included in the income statement;
- Transaction costs for investments designated as available for sale are included in the initial measurement. Transaction costs for debenture loans are recognised as part of amortisation in the income statement using the effective interest rate method. Transaction costs for equity instruments are recognised in the income statement on sale.

The interest amount recognised in the income statement for debenture loans and other fixed-income investments at fair value, including transaction costs, is set annually based on amortised cost. The difference between the initial value and future repayment is recognised through profit or loss as amortisation, using the effective interest rate method. The initial amortised cost is calculated as the fair value including transaction costs.

At each reporting date the Group assesses whether objective evidence exists that an AFS financial asset is impaired. In the case of equity instruments classified as AFS, this means a significant or prolonged decline in the fair value of the security below its cost. Significant is defined as at least 20% over an uninterrupted period of six months or more than 40% on the reporting date.

Prolonged is defined as measured below cost for more than a year. The Group uses a graduated scale for the period between six months and one year and for a decline in value of up to 20%, to determine whether a financial asset available for sale is impaired. If the impairment proves to be structural, the Group may decide to recognise it despite the period being less than six months. Impairment losses on equity securities cannot subsequently be reversed through the income statement. If a financial asset has been impaired, any future reductions in value, irrespective of the amount, are recognised through the income statement.

Debt securities available for sale are impaired if there is objective evidence that they are unlikely to be redeemed or if it is known that the issuer is in financial difficulties. If such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and current fair value (excluding previously recognised impairment losses) is removed from equity and recognised in the income statement. If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be related to an objective event occurring after the recognition of the impairment loss, the impairment is reversed through the income statement.

Financial assets carried at FVTPL are not subject to impairment testing. The fair value of these assets already reflects possible impairments.

Derivatives

The Group uses derivatives as part of its asset and liability management to hedge financial risks and insurance risks. Financial risk derivatives (e.g. interest, currency, equity and inflation) hedge financial risks in financial assets and liabilities arising from market movements. Insurance derivatives hedge risks with regard to longevity. Derivative financial instruments include foreign exchange contracts, interest rate futures, currency and interest rate swaps, currency and interest rate options (both written and purchased), swaptions and other financial instruments that derive their value mainly from underlying interest rates, foreign exchange rates, commodity values or equity instruments. All derivatives are initially recognised in the statement of financial position at fair value, which usually represents their cost. They are subsequently measured at their FVTPL. The fair value is measured using the fair value hierarchy as described in note 4.1.7.37 '*Fair value of assets and liabilities*' in the 2015 Financial Statements incorporated by reference herein. Derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative. The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the potential gain or loss associated with such transactions.

Derivative contracts may be traded on an exchange or over-the-counter (OTC). Exchange-traded derivatives are standardised and include certain futures and option contracts. OTC derivative contracts are individually negotiated between contracting parties and include forwards, swaps, caps and floors.

Loans and receivables

Loans and receivables with fixed maturities, including policyholder loans, issued loans, mortgage loans, securitised mortgages and loans, are recognised on the statement of financial position when cash is advanced to borrowers. Measurement of these loans and receivables, excluding loans initially designated as 'at fair value through profit or loss', is based on amortised cost, using the effective interest rate method and taking impairments into account where necessary. To the extent that loans and receivables are not collectible, they are written off as impaired. Any subsequent recoveries are credited to the income statement.

Certain securitised mortgages and derivatives and related financial liabilities are managed on the basis of fair value. The Group also evaluates their performance on the basis of fair value, in line with its risk strategy. The securitised mortgages are also recognised as 'financial assets at fair value through profit or loss'. The fair value is measured using the fair value hierarchy as described in note 4.1.7.37 '*Fair value of assets and liabilities*' in the 2015 Financial Statements incorporated by reference herein.

A financial asset or a group of financial assets carried at amortised cost is considered to be impaired when there is objective evidence of impairment due to events occurring after the date of the initial recognition (a 'loss event'), and when that event has an impact on estimated future cash flows. Objective evidence that a financial asset or a group of assets is impaired includes observable data about the following loss events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or repeated delinquency in payment of interest or principal;
- The lender entering bankruptcy or a financial reorganisation;
- The disappearance of an active market for that specific asset because of financial difficulties;
- Observable data indicating a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified based on the individual financial assets in the Group, including adverse changes in the payment status of borrowers of the Group and national or economic conditions that correlate with defaults on the assets of the Group.

The Group first assesses whether objective evidence of impairments exists for financial assets that are individually significant. If there is no objective evidence of impairment for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Future credit losses that have been incurred are not taken into account. The impairment is recognised in the income statement. If a financial investment has a variable interest rate, the discount rate for measuring the impairment loss is the current effective interest rate determined in the contract. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an event occurring after the impairment was recognised, the previously recognised impairment is reversed and accounted for in the income statement.

Share-Based and Performance-Related Incentive Plans

The Group has three share-based and performance related incentive plans, one of which is equity settled (Variable Incentive Plan for identified staff) and two are cash-settled (Delta Lloyd Phantom Option Plan and Variable Incentive Plan for other managers).

Equity-settled plans

For the equity-settled plan the overall expense is calculated on the grant date of the conditional shares as the fair value of a conditional share, multiplied by the estimated number of conditional shares that will vest, based on expectations regarding performance criteria that are not related to market conditions, and the continuation of employment ('vesting conditions'). In determining the fair value, account is taken of the market conditions applicable to the performance criteria related to total shareholder return. The fair value does not change during the period up to vesting. See the *General* section below for the fair value calculation method. The overall expense is allocated on a straight-line basis over the vesting period (four years), based on the employee services rendered, taking into account the estimated number of conditional shares that can vest under the applicable vesting conditions on each reporting date. The expense is recognised in staff costs with 'equity compensation plan' in equity as the contra-account. On vesting the difference between the 'equity compensation plan' in equity and the actual costs is transferred to retained earnings.

Cash-settled plans

For the cash-settled plans the Group determines the fair value on each grant, reporting and settlement date. All changes are immediately recognised in the income statement with a related adjustment to the 'equity compensation plan' provision. The fair value of the phantom options granted is measured using a binomial tree model, taking account of the terms and conditions under which they were granted, including a cap on the actual payment. See the *General* section below for the fair value calculation method for the Variable Incentive Plan.

General

The fair value of the grants under the variable incentive plans is measured using a Black- Scholes model and Monte Carlo simulation models that incorporate all the specific characteristics of the plans. Expected dividends are applied in accordance with the dividend policy of the Company. Volatility is based on historic data of the Company's share price.

The vesting of grants is subject to set performance criteria and continued employment at the Group on the vesting date. If employment is terminated, the grants lapse immediately, except in a situation where the employee leaves as a result of early retirement, disability, death or because the entity for which the employee works is no longer part of the Group. In this last case, the grants vest immediately and become exercisable for a period of one year, after which they lapse.

There is an ex-post risk adjustment for each deferred pay-out when the performance is reassessed against the original targets. There is also a clawback clause under which any variable remuneration may be recovered during a five-year period after the vesting date, if an employee has acted unethically and/or in conflict with the Group's policy.

Off-balance Sheet Positions

Guarantees and options are issued by various Group subsidiaries as a normal part of their operating activities, in respect of certain life insurance and asset management products. The Company and several Group subsidiaries have also guaranteed the overdrafts and borrowings of certain Group members. In addition, in line with standard industry practice, various subsidiaries have in recent years given guarantees, indemnities and warranties in connection with disposals of subsidiaries and associates to third parties. The Group does not believe any material loss will arise in respect of these guarantees, indemnities and warranties.

The table below summarises contractual obligations and commercial commitments for the Group and the effect those obligations and commitments are expected to have on Group liquidity and cash flow in future periods, at 31 December 2015:

Off-balance sheet liabilities	As at 31 December		
	2015	2014	2013
	(EUR million)		
Investment property	20.6	9.9	6.5
Property and equipment	—	2.6	3.4
Repairs and maintenance	—	7.2	6.3
Investments	—	65.4	78.2
Outsourcing	—	2.2	1.5
Contingent liabilities	439.4	424.4	530.5
Operational lease commitments rental	**130.3**	**81.7**	**60.2**
Within one year	16.8	12.0	11.7
Between one and five years	65.6	31.0	35.8
More than five years	47.9	38.7	12.7
Operational lease commitments non-rental	**6.4**	**11.5**	**12.6**
Within one year	2.9	5.0	5.2
Between one and five years	3.5	6.5	7.4
More than five years	—	—	—
Total	**596.7**	**604.8**	**699.1**

All of the Group's leases are eligible for renewal and there are no subleases to third parties. The increase in the operational lease commitments was primarily caused by the sale of the subsidiary Delta Lloyd Vastgoed Kantoren, because the rental agreements for the office buildings in Amsterdam and Arnhem were included in the sale. The increase in operational lease commitments rentals with a term greater than five years for the year ended 31 December 2015 was due to renewing the Group's lease contract for the Toorop office building in Amsterdam until 2025.

Contingent liabilities, which mainly consist of mortgage credit, investment loans and consumer credit, include irrevocable facilities of EUR 373.1 million for the year ended 31 December 2015, compared to EUR 285.7 million for the year ended 31 December 2014 and EUR 386.1 million for the year ended 31 December 2013. Due to a tax ruling change in Belgium, more credit was granted and irrevocable facilities decreased. The increase in irrevocable facilities is mainly related to the pipeline of mortgages, partially offset by the sale of Delta Lloyd Bank Belgium in 2015.

Off-balance sheet receivables	As at 31 December		
	2015	2014	2013
	(EUR million)		
Operational lease receivables rental			
Within one year	5.8	65.0	88.5
Between one and five years	19.0	244.2	266.1
More than five years	14.1	134.4	193.8
Operational lease receivables non-rental			
Within one year	—	—	—
Between one and five years	33.0	35.7	39.5
More than five years	—	—	—
Total	**71.9**	**479.2**	**587.9**

For the year ended 31 December 2015, rental receivables were EUR 38.9 million, compared to EUR 443.5 million for the year ended 31 December 2014 and EUR 548.4 million for the year ended 31 December 2013. The decrease of rental income was caused by the disposal of property investments held by Delta Lloyd Asset Management (2014: EUR 197.2 million) and the sale of Delta Lloyd Deutschland (2014: EUR 199.9 million).

For the year ended 31 December 2015, the non-rental receivables of EUR 33.0 million due from LeasePlan and Athlon was for the financing of the vehicle fleet of Delta Lloyd. At 31 December 2014, the non-rental receivables of EUR 35.7 million due from LeasePlan and Athlon was for the financing of the vehicle fleet of Delta Lloyd, compared to EUR 39.5 million for the year ended 31 December 2013. The non-rental receivables due within one year regarding LeasePlan and Athlon are accounted for in the statement of financial position to a total of EUR 8.3 million (2014: EUR 8.9 million).

CAPITALISATION AND INDEBTEDNESS

The table below sets out the Company's consolidated capitalisation at 31 December 2015 as adjusted to give effect to the Offering. This table should be read in conjunction with the 2015 Financial Statements and the notes thereto incorporated by reference into this Prospectus.

There has been no material change in the capitalisation of the Company since 31 December 2015.

The table below shows the actual capitalisation at 31 December 2015 as well as the capitalisation after giving effect to the Offering.

	As at 31 December 2015	
	Actual	After giving effect to the Offering
	(EUR million)	
Total current debt	**2,708.9**	**2,708.9**
Guaranteed	0	0
Secured	0	0
Unguaranteed/unsecured		
- Commercial paper	164.9	164.9
Current bank debt	100.0	100.0
Other current financial debt – contingent liabilities	439.4	439.4
Other debt	**2,004.6**	**2,004.6**
Total non-current debt (excluding current portion of long-term debt)	**4,151.2**	**4.151.2**
Guaranteed	0	0
Securitised mortgage loan notes	2,223.2	2,223.2
Unguaranteed/unsecured		
- Fonds NutsOhra perpetual loan	136.0	136.0
- Convertible loan	2.0	2.0
- Institutional investors perpetual loan	743.8	743.8
- Institutional investors	472.5	472.5
- Medium-term note	573.7	573.7
Shareholders' funds	**2,568.9**	**3,196.3**
Ordinary share capital	45.7	156.2
Share premium	837.1	1,354.0
Other reserves[(1)]	1,686.1	1,686.1

(1) Other reserves includes revaluation reserve, other reserves, equity compensation plan, treasury shares, retained earnings.

The table below shows the actual indebtedness at 31 December 2015 as well as the indebtedness after giving effect to the Offering.

	As at 31 December 2015	
	Actual	After giving effect to the Offering
	(EUR million)	
Cash	1,585.5	2,212.9
- Cash held at own risk	929.1	1,556.5
- Central bank deposits	656.4	656.4
Cash equivalent	917.9	917.9
- Deposit credit institutions repay on demand	450.6	450.6
- Deposit credit institutions repay in < 3 months	467.3	467.3
Trading securities	0	0
Liquidity	**2,503.4**	**3,130.8**
Current financial receivables	**1,175.0**	**1,175.0**
Current bank debt	100.0	100.0
Commercial paper	164.9	164.9
Other debt	2,004.6	2,004.6
Current portion of non-current debt	0	0
Other current financial debt – Contingent liabilities	439.4	439.4
Current financial debt	**2,708.9**	**2,708.9**
Net current Financial Indebtedness	**- 969.5**	**- 1,596.9**
Non-current Bank loans	0	0
Borrowings		
- Fonds NutsOhra—subordinated debt	136.0	136.0
- Convertible loan	2.0	2.0
- Institutional investors perpetual loan	743.8	743.8
- Institutional investors	472.5	472.5
- Medium-term note	573.7	573.7
Other non-current loans – securitised mortgage loan notes	2,223.2	2,223.2
Non-current Financial Indebtedness	**4,151.2**	**4,151.2**
Net Financial Indebtedness	**3,181.7**	**2,554.3**

RISK MANAGEMENT

For further information about the Group's risk management, please see note 4.1.7.1 "Risk management" to the Group's 2015 Financial Statements incorporated by reference herein.

Risk Management Philosophy

The Group's risk management policies are designed to protect the Group against events that may jeopardise its ability to achieve sustainable results, the required minimum solvency or its strategic objectives. The Group's mission is to manage uncertainty. Risk management is fully embedded in the Group's daily operations, to identify, analyse, measure, manage, control and audit risks that may arise in the course of its business operations, in a timely manner. This helps to maintain credit ratings, meet obligations to customers and other creditors, and comply with legislative and regulatory requirements and best practices. The Group's approach to risk is based on the following elements:

- *Risk governance:* The risk governance framework comprises 'three lines of defence' and risk committees. It outlines the responsibilities and guidelines of the Group's management structure. Each business segment has a dedicated Audit Committee ("AC") and Asset & Liability Committee to supervise the effectiveness of its business control systems. Following the appointment of a CRO to the Executive Board in 2015, a revised risk organisation will be implemented in May 2016. See *"—Risk Governance"* below.
- *Risk processes and systems:* The risk management framework takes into account all relevant elements of risk management, including the Solvency II SF model and a Group internal model ("ECM") for economic capital calculation, a sound risk management cycle (that includes all necessary and structural steps to assess all material risks and its control) and the interrelationship between governance and management information.
- *Risk culture:* Based on the Group's core values, the Executive Board and the boards of the business units have a common framework to perform their risk/return considerations. That framework considers that what is good for the Group's customers is good for all stakeholders.
- *Risk taxonomy and mitigation:* The risk management policy framework encompasses the 'risk universe' of all relevant risks for the Group and contains a set of mandatory policies and the Group Risk Appetite Statement ("GRAS") to control and manage risk according to specific guidelines. The annual GRAS defines the risk appetite for all risks within the Group. Each division defines its Business Unit Risk Appetite Statement consistent with the GRAS.
- *Capital model:* At the start of Solvency II in 2016, the Group began using the SF model for insurance activities. The capital relating to the Group's banking activities is assessed in accordance with the CRD IV/CRR regulations.

  As the Group believes that a partial internal model better reflects the risks than the SF, it will continue to update and test the partial internal model. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018.

  The Group will continue to measure solvency on both the SF and on the internal ECM method. For both measures, minimum and appetite levels are determined by the Executive Board, and both must be adhered to. The ECM model will be used for making internal risk management decisions, taking into account the Solvency II ratio (SF) as a potential constraint.

Risk Governance

In October 2015 the Executive Board finalised plans to reorganise the risk management organisation in 2016, which is scheduled to be implemented in May 2016. The reorganisation aims to further improve risk management, more strictly implement key functions as described in Solvency II guidelines and support the pure division of the responsibilities of the second line of defence.

The changes to reorganisation include splitting the actuarial and risk management functions within Group and business units and appointing CROs on the boards of the business units. Additionally, to strengthen the risk function, the Company decided to appoint a CRO to the Executive Board. The CRO is responsible for the Company's risk management and integrity framework and for communicating the risk policy to DNB and the AFM. Previously, the risk department had reported to the CFO. The Company felt it would be more beneficial to the Company to create a separate reporting line in the Executive Board for risk management, integrity and actuarial affairs, thus safeguarding the importance of these issues.

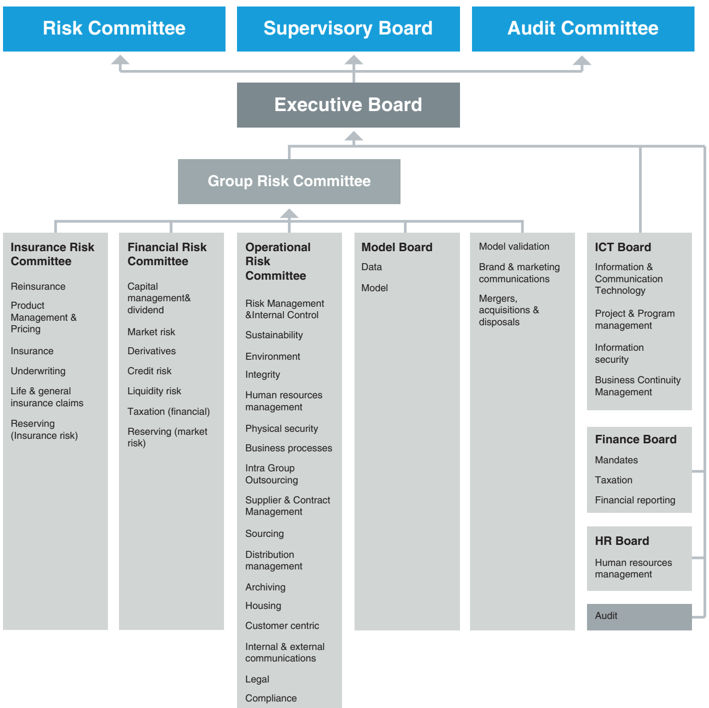
Reorganisation plans often involve uncertainty and while the Group believes this reorganisation will be beneficial to risk management and to implementing key functions of the Solvency II guidelines, future adjustments may be needed. The current description of the governance is based on the risk management organisation as it is before the reorganisation scheduled for May 2016.

The Group's risk governance structure is based on roles and delegated authorities; the risk management policy, which comprises guidelines for all major risk types described in "*—Risk Taxonomy*"; and the risk committee structure.

Risk management at the Company has three lines of defence:

- *Day-to-day risk management in each business unit*: This includes implementing risk policies and reporting and managing information. This line of defence is executed by the management of each business unit.
- *The risk management and compliance organisation*: This line of defence focuses on coordinating and developing policies, reporting structures and monitoring compliance with statutory rules and internal policies. It is executed by Group Actuarial & Risk Management, Group Integrity, Group Finance, Control & Tax, the risk management committees and the risk management and compliance departments or officers in each division.
- *Internal audit function*: The Supervisory Board has a dedicated Risk Committee that reviews the governance, processes, appetite and risk positions. Group Audit performs regular internal audits of key controls. The Company is supervised by the relevant external supervisory authorities in the Netherlands and Belgium.

Risk management is organised as follows:



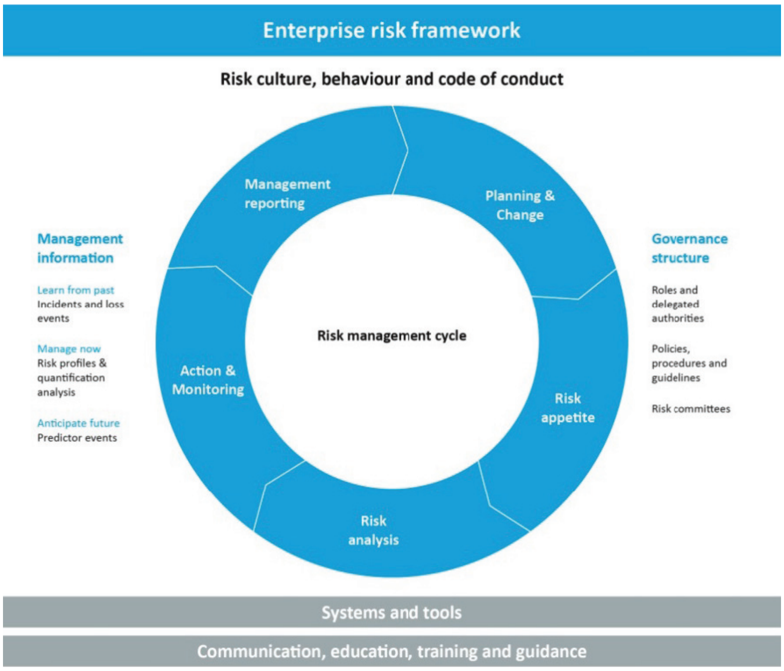
Various risk management committees analyse and monitor risks within their areas of expertise and prepare reports and advice to facilitate decision-making by the Group Risk Committee and Executive Board. At business unit level, this task is delegated to its risk committee and audit committee. Group Audit reports its audit risks directly to the Group Audit Committee.

Risk Management Responsibilities

- The Executive Board is responsible for decisions relating to the Company's risk profile and determines the Group's overall risk appetite at least once a year. The Executive Board also assesses and approves the GRAS. The risk appetite sets the limit for key risks in each business unit.
- The Supervisory Board assesses how the Executive Board manages risks and monitors the consequences of decisions for the risk profile.
- The Group Risk Committee prepares this decision-making by regularly analysing the Group's risk profile and solvency and making specific policy proposals. The Group's Risk Committee is made up of senior executives, including the Chairman of the Executive Board, the chief risk officer, the chief financial officer, the director of Group Actuarial & Risk Management ("GARM"), the managing directors of Delta Lloyd Asset Management, Delta Lloyd Schadeverzekering, DLL, ABN AMRO Verzekeringen, Group Integrity, Group Audit, the chief risk officer of Delta Lloyd Life Belgium and the chief financial risk officer of Delta Lloyd Bank Netherlands. Specialists in specific areas are also invited, depending on the subject discussed. Risk analyses by the Group Risk Committee focus on the consolidated Solvency II balance sheet and risks of the Company, taking account of restrictions arising from banking and insurance regulations at entity level.
- The management of each business unit is responsible for identifying, assessing and controlling the risks falling within that unit's responsibility.
- The chief risk officer carries overall responsibility for the independent oversight of all risks. GARM is responsible for the overall risk framework and monitors the effective management of these risks. The director of GARM bears delegated responsibility for the supervision of all risks, including compliance with Solvency II.
- Group Integrity is responsible for compliance, security, business continuity and the financial crime unit.
- Group Finance, Control & Tax is responsible for financial management and reporting and advises and instructs the business units. In addition, it is responsible for controlling, monitoring and reporting on the Company's tax position, and compliance with tax laws and provisions.
- Group Audit reports to the Executive Board and the Audit Committee of the Supervisory Board and is responsible for internal audits to establish the effectiveness of the Company's internal control systems.
- Group policy owners are responsible for providing oversight of specific risks and monitoring of the risks group-wide.

Risk Processes and Systems

The Group's risk management framework is based on the enterprise risk management ("ERM") model of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). It meets future Solvency II requirements. This framework helps the Group to understand, quantify and manage the risks to which it is exposed. Management information and governance are linked according to the cycle below.



Specific risk management and control systems have been set up for key risk areas as follows:

- The management of each Group business unit assesses and manages its own risks and controls and updates its risk profile every quarter. These reports and processes include ORSA, which are also a requirement of Solvency II. They cover the control of inherent risks, effectiveness of controls and an assessment of the probability and consequences of residual risks. One major objective is to keep residual risks within the limits of the defined risk tolerance. ORSA is a more forward-looking risk management exercise, to oversee and manage the effects of risk scenarios over a longer period.
- Each quarter, GARM draws up a financial risk report for the Group. It addresses financial factors, such as recent developments in the financial markets and their consequences for the Group's capital position. The Group uses an economic capital model based on stress test analyses and stochastic scenario analyses. Risk positions (including hedges) are assessed to determine whether they are still compatible with the risk appetite. Collateral is managed on a day-to-day basis. GARM draws up a monthly overview of the Group's capital position and each of the Group's legal entities, based on local reporting requirements. In addition, an Solvency II balance sheet is prepared and economic capital is calculated on a quarterly basis.
- The Group's banking unit carries out its own annual risk assessment, known as the Internal Capital Adequacy Assessment Process ("ICAAP"). This is in line with CRD IV, the revised solvency framework for the banking sector based on Basel III, as implemented in the Dutch Financial Supervision Act. The ICAAP indicates whether the current capital position is still sufficient, given the financial risks to which Delta Lloyd Bank Netherlands is exposed.
- The Group's investment firm DLAM carries out its ICAAP in line with CRD IV, as implemented in the Dutch Financial Supervision Act. The ICAAP indicates whether the current capital position is still sufficient, given the financial risks to which DLAM is exposed.
- GARM coordinates the annual GRAS, which defines the appetite for all risks within the Group. It is used to cascade risks down to the risk appetite statements of the business units.
- The Group has set up its own internal financial control framework based on the top-down risk approach of the Sarbanes-Oxley Act.

- To assess the Group's operational risk, the bank, asset management and insurance business segments use a series of key risk indicators that are partly based on Basel II. In addition, the Group has a system for recording all operational losses above EUR 10,000 in all business units and, as a member of ORIC International loss data consortium, it has access to a database of external losses.
- Business units with large corporate customers apply a risk analysis and a risk management method that is subject to verification by external auditors. These units issue an ISAE 3402 statement regarding their internal controls (the standard for auditing service organisations).
- Group Legal and Group Integrity guide the Company's legal and regulatory risk management. Group Integrity is also responsible for the Company's compliance network and the Regulators Desk unit within Group Compliance.

Risk Culture

The Executive Board and directors determine the Group's risk culture. They set the example for the rest of the organisation. It is imperative that management is approachable on risk management issues and open to discussions about improvement. In addition:

- Executive Board members include risk management objectives in the performance goals of directors.
- Business unit directors are directly responsible for implementing enterprise risk management activities.
- The Executive Board and heads of the various risk committees provide an overview of risks and the actions they have taken to address these.
- Executive Board members and directors regularly encourage staff to comply with the company's code of conduct.
- To promote effective risk-based decisions the Chairman of the Executive Board, chief risk officer and chief financial officer ensure that senior and operational managers put into practice the principles contained in the CEO Guide—Better Business Decisions and CFO Guide—Better Business Decisions of Delta Lloyd.

The Group uses a number of systems and tools to support the risk management cycle (analyses, reports, workflow management charts). These include interfaces with systems within business units that deliver management information and data for specific risk management systems. Data quality is crucial. Naturally, the Group pays close attention to good system support and technology. The Group has specific policy documents for the ECM model: the data policy, model policy and validation policy. The Model Board reviews the effectiveness of the controls on the systems and tools that the Group uses to manage risk.

Risk Taxonomy

The Group's risk management process has developed into an integrated enterprise risk management process and fits into its preparation for Solvency II. It consists of a risk management cycle where each action is a stepping stone for the next. The Group carries out risk assessments and risk calculations to:

- Determine how much risk it is prepared to accept (the Group's risk appetite);
- Determine the probability of risks occurring and their consequences, as well as potential scenarios and the possible regulatory capital consequences; and
- Decide which measures or additional measures should be taken.

In the line management and reporting phase of the cycle, management delivers reports that are used to make decisions, which subsequently lead to action in the planning and change phase. The risk appetite for the adjusted business activities must then be re-determined and the cycle begins again. The Group draws up a GRAS, which is used to generate appetite statements for each business unit. These are reviewed and adjusted at least once a year.

In recognition of the requirements of different stakeholders, the Group measures solvency on a number of different bases, all of which are taken into account when managing solvency. A Solvency II SF ratio appetite of 140% to 180% has been set for external reporting. The GRAS states that the ECM model will be used for making internal risk management decisions while the Group concurrently manages these risk decisions within the boundaries of the 140% to 180% SF ratio appetite range, thus constraining the Group's risk taking. In 2016, the risk appetite has not changed materially from 2015.

The risk and control self-assessment ("RCSA") is an important part of the risk management cycle. This is a mechanism for identifying and assessing risks, including scenarios (a combination of risks occurring at the same time). It also assesses the effectiveness of the Group's existing controls and identifies control gaps. The RCSA is integral to the ERM framework and the ORSA process. This is because the Group can integrate and coordinate its risk identification and risk management efforts to improve the understanding, control and oversight of the Group's risks.

The Group uses the findings of a RCSA to formulate appropriate action plans that address identified control gaps, taking into account risk-reward (cost-benefit) considerations. Progress on these plans is monitored as part of the Group's overall risk management approach. In this respect, RCSA promotes analysis and monitoring of factors that affect the level of risk exposure. Formal quarterly risk profile updates and ORSA are typically extracts and focus points brought forward from general RCSA exercises.

A consistent and regular information flow helps give management, the Executive Board and the Supervisory Board a deeper understanding and awareness of risk management. The Group organises regular workshops for the Supervisory Board and Executive Board on topics such as risk management and changes in financial reporting and value, to enhance the understanding of risk control and current developments, such as the preparations for Solvency II. Regular workshops are organised for all management layers and specialists on themes relating to risk management and financial reporting in general, and Solvency II in particular. A special web-based portal contains all available information on risk management and Solvency II, as well as a summary of the relevant developments for the Group.

The Group has a set of formal policies to manage and control all financial and non-financial risks—the so-called risk universe. The risk universe is the full range of risks that could positively or negatively affect the Group's ability to achieve its long-term objectives.

The policies cover the following risk areas as specifically mentioned in Solvency II:

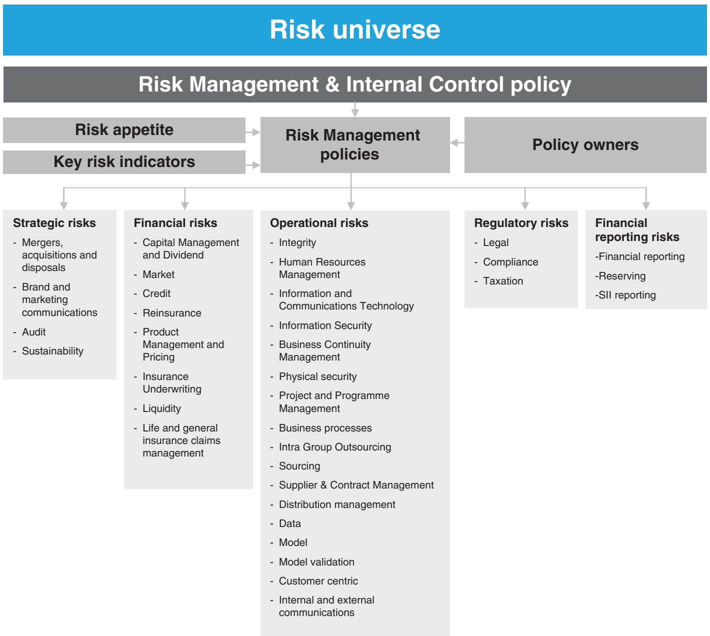
- Underwriting and provisioning;
- Asset-liability management;
- Investment, in particular derivatives and similar commitments;
- Liquidity and concentration risk management;
- Operational risk management; and
- Reinsurance and other risk mitigation techniques.

The risk management and internal control policy is the foundation of the Group's risk management and internal control framework. It is designed to support the identification, assessment, monitoring, reporting, management and control of the material risks involved in achieving the Group's business objectives.

Each policy sets out the minimum standards for risk management and internal control in the relevant area within the Group's. It recognises that the Group is in the business of accepting risk, meaning that the Group has to put capital at risk in a structured and disciplined manner to successfully execute its strategy. In other words, within the limits set by the GRAS, the Group must strike a balance between risk and return that allows it to make best use of its capital while displaying the appropriate prudence.

The Group's management policies provide practical direction on how to safeguard its business from events with excessive operational, financial or reputational impact while enabling it to deliver on its business strategy.

The Group uses five main conceptual categories of risks and policies within the overarching risk management and internal control policy. The categories are based on the Dutch Corporate Governance Code ("DCGC") and describe the risk universe.



- Strategic risk: Strategic risk is defined as the risk to current and future earnings or capital arising from adverse business decisions, improperly implementing decisions or not responding to changes in customer demand, legislation or the industry. Strategic risk includes the risk of missing targets as a result of the Group business units not responding or not responding adequately to changes in the business environment.
- Financial risk: Financial risk means the uncertainty of a return and the potential for monetary loss. Financial risk includes credit risk, equity risk, property risk, inflation risk, interest rate risk, currency risk, insurance risk and liquidity risk.
- Operational risk: Operational risk is the risk of losses that may occur due to inadequate or malfunctioning internal processes or systems, human error, criminal behaviour or external events. Operational losses may have a direct impact (i.e. give rise to a quantified economic or financial loss) or an indirect impact (i.e. lower sales, opportunity costs or productivity losses that will unfold in the future but may be hard to establish accurately). Operational risks relate to areas such as integrity and fraud, crime, human resources management, information and communications technology, information security (including risk of innovative multimedia), business continuity management, physical security and outsourcing.
- Regulatory risk: Regulatory risk is the risk of not complying with laws, regulations and internal policies and procedures; for example risks related to litigation, compliance and tax.
- Financial reporting risk: Financial reporting risk is the risk that the Group's financial statements contain a material error. Financial reporting risk includes reserving risk, investment business risk and the risk that the insurance liabilities of the life and general insurance businesses are not adequately determined and reported.

In addition, the Group considers systemic risk to be an inherent risk. This is the risk of the financial system or the entire market collapsing due to war, global illiquidity, hyperinflation or similar massive events.

Solvency II

Solvency II is the new regulatory framework for insurance companies operating in the European Union. It became effective on 1 January 2016. As a result, Solvency I ratios are no longer applicable.

Under Solvency II, capital requirements depend directly on consistently-measured risk. It is based on economic principles for measuring assets and liabilities. Insurance companies have had to make far-reaching and comprehensive preparations for Solvency II and the Group supports the principles underlying the new framework. The Group applies risk-based elements in asset allocation, ALM, risk management, capital allocation, product pricing and commercial strategy.

In early 2014, European legislators set the implementation date for 1 January 2016. The Group established a Solvency II programme to coordinate all activities requiring attention under Solvency II and the preparatory measures for EIOPA. The project is currently focused on the reporting requirements for Pillar 3. In 2015, all Dutch insurance companies were required to submit Solvency II reports (Quantitative Reporting templates) to DNB, on the reporting dates 31 December 2014, 30 June 2015 and 30 September 2015. The 31 December 2014 reports of the solo entities were submitted in June 2015, and the Group's report was submitted in July 2015. The second and third quarter 2015 reports have been submitted as well. The report of 31 December 2015 will be submitted in 2016. See "*Supervision and Regulation—EU Regulatory Framework—Insurance and Insurance-Related Regulation—Solvency II Directive.*"

In the first half of 2015, the Group observed volatility in its solvency ratio, which was caused predominantly by model adjustments, due to remaining uncertainties in the internal model. After a thorough analysis ordered by the Executive Board, the Group determined that it was necessary to recalibrate certain assumptions relating to operational risk and mortgage valuation, and change from a full to a partial internal model. The Executive Board conducted a full review of the partial internal model in the third quarter of 2015. This review concluded that the partial internal model continued to result in difficulties and produce volatile results. Consequently, the Group decided to switch to the more prescriptive SF under Solvency II and DNB will continue to review the appropriateness of the Group's use of the SF, with a possible impact in 2017 at the earliest. As the Group believes that a partial internal model better reflects the risks than the SF, it will continue to update and test its partial internal model. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018. For the Group's Solvency II ratios at 31 December 2015 using the SF, see "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*".

By its nature and design, the SF is a standardised calculation method and is therefore not tailored to, nor does it reflect, the individual risk profile of a specific undertaking. The Group believes that the SF does not reflect its risk profile. A partial internal model, which is designed to capture the various risks in the various portfolios, will reflect the risks to which the Group is exposed much better. Furthermore, the SF is designed based on European assumptions and, thus, does not sufficiently represent the uniqueness of the Dutch market (for example, workers' compensation) and Group's portfolio. In addition, the underlying assumptions of the SF are not always clear. A partial internal model will have parameters that will not only better reflect the risk profile, but that will also be more easily understood and explained, which will allow management to better understand the impact of their decisions.

The major risks the Group is exposed to, their impact and the way they are managed are explained in the following sections.

Financial Risks

Please note that the risk associated with Delta Lloyd Deutschland and Delta Lloyd Bank Belgium are not included in the 2015 figures of this paragraph as both entities were sold during 2015. The comparative figures for 2014 and 2013 have not been adjusted and therefore include the risks associated with Delta Lloyd Deutschland and Delta Lloyd Bank Belgium. For more information on the Group's market risks and related DNB correspondence please see, "*Risk Factors—Regulatory and Litigation Risks—Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects*."

Credit Risk

Credit risk consists of default risk, credit spread risk and concentration risk. Default risk is the risk that counterparties are unable or unwilling to meet all or part of their payment obligations. Credit spread risk is the risk that the perceived risk of default increases, reducing the value of the asset (bond, mortgage or otherwise).

Concentration risk arises from the concentration of default risk at large counterparties and from inadequate sector or country diversification.

Defaults may occur in the bond, mortgage and consumer and commercial loan portfolios or at counterparties including reinsurers, insurance intermediaries, policyholders, banks, derivative counterparties and other debtors. The Group has a risk tolerance for credit default risk in the fixed income portfolio (excluding mortgages), at an average credit quality equivalent to an external single A rating. In addition, restrictions were in place to limit concentrations to individual counterparties and countries, based on the ECM model as well as based on external ratings.

The credit exposure that the Group faces, is shown in the table below. The risk reduction effect of credit default swaps is limited and hence not included. The collateral has been capped at the carrying value of the asset. The table below should be read in accordance with the paragraphs and tables in the remainder of this section, which provide details about the risk characteristics of the outstanding risk exposures shown in the table below.

Credit Risk-Own Risk

At 31 December 2015, the Group's net credit exposure was approximately EUR 38.4 billion, including debt securities (EUR 28.3 billion, of which 46% was invested in sovereign bonds, 34% in corporate and collateralised bonds, 20% in sub-sovereign bonds). The residential mortgage portfolio of EUR 13.3 billion (2014: EUR 16.7 billion) is included under loans and includes securitised residential mortgages.

	Gross credit risk 2015	Collateral 2015	Net credit risk 2015	Gross credit risk 2014(1)	Collateral 2014(1)	Net credit risk 2014(1)	Gross credit risk 2013(2)	Collateral 2013(2)	Net credit risk 2013(2)
	(EUR million)								
Debt securities	28,342.1	—	28,342.1	31,430.4	—	31,430.4	26,168.0	—	26,168.0
Loans and receivables at amortised cost	10,676.9	7,247.0	3,429.9	17,082.8	11,157.7	5,925.1	17,191.1	11,055.8	6,135.4
Loans at fair value through profit or loss (FVTPL)	5,235.9	4,577.8	658.1	5,525.3	4,667.7	857.6	5,784.0	4,675.9	1,108.2
Reinsurance assets	562.1	411.7	150.3	652.9	343.3	309.6	554.0	330.5	223.6
Receivables and other financial assets	1,376.8	—	1,376.8	1,998.1	—	1,998.1	2,123.1	—	2,123.1
Derivatives	1,675.9	1,211.5	464.5	2,244.7	1,974.2	270.5	1,201.7	947.1	254.6
Deferred tax assets	478.4	—	478.4	433.6	—	433.6	1,135.5	—	1,135.5
Current tax assets	47.8	—	47.8	48.9	—	48.9	71.2	—	71.2
Accrued interest and prepayments	539.0	—	539.0	669.6	—	669.6	672.1	—	672.1
Cash and cash equivalents	2,503.4	—	2,503.4	2,979.8	—	2,979.8	1,275.7	—	1,275.7
Maximum credit risk recognised on the balance sheet	51,438.2	13,447.9	37,990.3	63,066.1	18,143.1	44,923.0	56,176.4	17,009.2	39,167.2
Gross maximum credit risk not recognised on the balance sheet	419.2	—	419.2	604.8	—	604.8	699.1	—	699.1
Gross maximum credit risk own risk	51,857.4	13,447.9	38,409.4	63,670.9	18,143.1	45,527.9	56,875.5	17,009.2	39,866.3

(1) Delta Lloyd reviewed the presentation of its tax position and decided to reclassify certain deferred tax positions to provide a better view of the net deferred tax position per fiscal entity. Comparative figures for 2014 have been adjusted.

(2) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Preparation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

The decrease in the amount for debt securities and loans and receivables was primarily due to the sale of Delta Lloyd Deutschland and Delta Lloyd Bank Belgium, which were finalised in 2015. The deferred tax assets have increased as a result of a revaluation of technical provisions and derivatives for tax purposes. Lower interest rates and credit spread decline caused higher derivative positions as well as higher cash and cash equivalents, the latter reflecting the collateral repayment obligations of counterparties.

For the above-mentioned exposures, the Group has the following collateral:

- Loans and receivables at amortised cost: property, cash collateral, salary waiver, pledges, term accounts and deposits;
- Loans at fair value through profit or loss: property;
- Reinsurance assets: cash collateral;
- Derivatives: cash collateral.

The Group charges its collateral on a daily basis to ensure the fungibility of the underlying assets. The Group maintains a diversified fixed-income investment portfolio, structured to match its insurance liabilities. Its credit risk is primarily related to government bonds, corporate bonds, residential mortgages and reinsurance assets. The Group's fixed income portfolio managers and specialist staff are primarily responsible for managing default risk. Default rates of the Group's residential mortgage loans are monitored and reported monthly. A significant part of the mortgage portfolio is securitised and some of the default risk relating to the securitised mortgages is passed on to third parties (the buyers of the mortgage-backed securities). All assets exposed to credit defaults are monitored at group level. The exposure of the asset portfolio to default and concentration risk is analysed in depth each quarter.

Exposure to sovereign and sub-sovereign debt of southern European countries and Ireland at 31 December 2015 amounted to EUR 2,456.9 million, compared to EUR 1,760.5 million at 31 December 2014 and EUR 502.8 million at 31 December 2013. Investments in these countries increased in 2014 and 2015 because in general the southern European economies further stabilised, which was evidenced by the ending of support programmes and favourable lending conditions in the market in 2015. Economic recovery was supported by the unprecedented set of measures that were presented by the ECB to weaken the exchange rate of the euro, increase inflation and support lending to the private sector. In general the risk/return profile for investing in the southern European countries has further improved, although the situation per country differs and sustainable recovery still has a long way to go. This is illustrated by the continuing turmoil surrounding Greece. Therefore, the Group continues to strictly monitor exposure to southern European countries and Ireland.

The tables below show the Group's total exposure to risks in relation to southern European countries and Ireland, including lending to the financial sector and other private businesses. Lending to private businesses in these countries is, by their nature and activities, not necessarily exposed to the same credit risk as in countries where their headquarters are located. The tables are based on the Group's 'country of risk' methodology and the figures include accrued interest. The risk-reduction effect of credit default swaps is not shown. At 31 December 2015, the Group has hedged a nominal value of EUR 387.8 million of default risk relating to all fixed-income investments in these countries using credit default swaps, compared with a hedged nominal value of EUR 414.2 million and EUR 378.4 million at 31 December 2014 and 2013, respectively. A nominal value of EUR 25.0 million is hedged against a default of Italy and EUR 362.8 million against a default of Spain at 31 December 2015. The 'Other bonds' column includes collateralised bonds. All amounts are gross, i.e. before adjustment for any collateral received.

Position in sovereign, sub sovereign and other bonds and receivables at 31 December 2015

	Sovereign and sub-sovereign bonds	Corporate bonds (nonfinancials)	Corporate bonds (financials)	Other bonds	Loans and receivables	Position at 31 December 2015
			(EUR million)			
Portugal	68.3	51.3	—	63.1	—	182.8
Italy	690.0	88.8	67.8	161.4	—	1,008.0
Ireland	408.3	85.1	89.3	96.9	—	679.6
Greece	—	28.2	—	—	—	28.2
Spain	1,290.3	250.9	125.9	267.6	—	1,934.7
Total	2,456.9	504.3	283.0	589.0	—	3,833.3

Position in sovereign, sub sovereign and other bonds and receivables at 31 December 2014

	Sovereign and sub-sovereign bonds	Corporate bonds (nonfinancials)	Corporate bonds (financials)	Other bonds	Loans and receivables	Position at 31 December 2014
			(EUR million)			
Portugal	97.2	44.9	0.3	72.4	—	214.8
Italy	650.9	175.4	42.8	306.1	—	1,175.2
Ireland	448.4	55.5	116.0	122.7	—	742.6
Greece	—	5.4	0.3	—	—	5.7
Spain	564.0	230.0	177.7	506.6	263.5	1,741.7
Total	1,760.5	511.2	337.1	1,007.8	263.5	3,880.0

Position in sovereign, sub sovereign and other bonds and receivables at 31 December 2013

	Sovereign and sub-sovereign bonds	Corporate bonds (nonfinancials)	Corporate bonds (financials)	Other bonds	Loans and receivables	Position at 31 December 2013
			(EUR million)			
Portugal	21.2	6.5	—	18.9	—	46.6
Italy	254.1	169.7	17.9	137.4	—	579.1
Ireland	122.7	28.4	43.8	131.2	—	326.2
Greece	—	—	—	—	—	—
Spain	104.8	169.1	72.6	419.0	199.7	965.2
Total	502.8	373.8	134.3	706.5	199.7	1,917.1

In 2014, the Russian economy deteriorated significantly because of lower oil prices and international sanctions as a result of the conflict in Ukraine. The Group's total debt exposure in the Russian Federation at 31 December 2015 amounted to EUR 2.7 million, compared with EUR 26.8 million at 31 December 2014 and EUR 162.8 million at 31 December 2013. The Group has no exposure in Ukraine at 31 December 2015.

Cash position (treasury) limits are in place to maximise exposure to counterparties, and are based on credit ratings. The Group monitors this at regular intervals. Counterparty default risk related to derivative contracts is mitigated by collateral and by maintaining a diversified portfolio.

The concentration risk in relation to reinsurance contracts is monitored through the Delta Lloyd Security List, which contains the maximum exposure per reinsurance counterparty.

The tables below show the Group's own credit risk based on external ratings. The external ratings are based on S&P, but if these ratings are not available then Moody's or Fitch is used. Most of the loans and receivables without external ratings concern residential mortgages. The portfolio exposed to credit risk decreased by approximately EUR 9,874.6 million during 2015 due to the sale of Delta Lloyd Deutschland and Delta Lloyd Bank Belgium (2014: an increase of EUR 4,994.2 million). The average credit rating of the portfolio is slightly lower. Investments in BBB rated securities increased in 2015 due to the ongoing search for yield and to improve the matching with the volatility adjustment reference portfolio.

Gross credit risk own risk at 31 December 2015

	AAA	AA	A	BBB	BB	B	Speculative rating	Without external rating	Total 2015
					(EUR million)				
Debt securities	7,379.0	8,653.0	3,520.4	6,125.7	475.7	39.4	—	2,148.8	28,342.1
Loans and receivables	31.9	42.2	21.7	6.7	—	—	—	15,810.2	15,912.7
Reinsurance assets	3.7	355.4	137.2	1.2	—	—	—	64.6	562.0
Total	7,414.7	9,050.6	3,679.3	6,133.5	475.7	39.4	—	18,023.6	44,816.8

Gross credit risk own risk at 31 December 2014

	AAA	AA	A	BBB	BB	B	Speculative rating	Without external rating	Total 2014
					(EUR million)				
Debt securities	8,368.3	10,147.0	4,524.5	4,525.0	901.3	24.7	—	2,939.5	31,430.4
Loans and receivables	594.5	868.4	323.2	231.6	85.0	—	—	20,505.4	22,608.2
Reinsurance assets	5.7	372.0	208.9	3.6	—	—	—	62.8	652.9
Total	8,968.5	11,387.4	5,056.6	4,760.2	986.3	24.7	—	23,507.7	54,691.4

Gross credit risk own risk at 31 December 2013

	AAA	AA	A	BBB	BB	B	Speculative rating	Without external rating	Total 2013
					(EUR million)				
Debt securities	7,116.6	8,220.7	3,336.6	4,134.3	480.9	23.6	—	2,855.3	26,168.0
Loans and receivables	668.2	688.2	508.9	255.9	85.0	—	—	20,769.0	22,975.2
Reinsurance assets	—	382.9	104.3	8.1	—	—	—	58.6	554.0
Total	7,784.8	9,291.9	3,949.8	4,398.3	565.9	23.6	—	23,682.9	49,697.2

The Group suffered limited losses on its portfolio of Dutch residential mortgage loans: EUR 9.2 million during 2015 and EUR 7.8 million in 2014. The amounts in default remain limited compared to the size of the portfolio. This supports the Group's view that this portfolio is of a high credit quality.

The economic crisis has had substantial consequences for the housing market and for employment. The Group commits to proactively helping its customers to prevent and resolve their financial difficulties.

It is in the customer's interest and stems from the Group's duty of care to customers in all phases of the mortgage product cycle. Forbearance measures are taken in cases where customers temporarily experience:

- double housing costs, by offering, under strict conditions, the option to rent out the property;
- the threat of getting into financial difficulty by providing information offering temporary or permanent solutions;
- financial problems resulting from a permanent decrease in income by restructuring the mortgage.

The maximum exposure on double housing costs was EUR 41.1 million on a total mortgage portfolio of EUR 13.3 billion at 31 December 2015, compared with EUR 40.6 million on a total mortgage portfolio of EUR 16.7 billion at 31 December 2014 and EUR 29.2 million on a total mortgage portfolio of EUR 16.8 billion at 31 December 2013. The Group takes a proactive approach toward customers who are likely to get into financial difficulties due to their mortgage product type (securities-based).

The tables below provide details on the carrying amount of financial assets that have been impaired and the ageing of financial assets that are past due but have not been impaired. The tables relate to own risk financial assets.

Financial assets after impairments at 31 December 2015

	Neither past due nor impaired	Financial assets that are past due but not impaired	Financial assets that have been impaired	Total 2015
		(EUR million)		
Debt securities	28,328.1	0.3	13.7	28,342.1
Loans and receivables	15,692.1	143.6	77.1	15,912.7
Receivables and other financial assets	1,298.7	71.2	6.9	1,376.8

Financial assets after impairments at 31 December 2014

	Neither past due nor impaired	Financial assets that are past due but not impaired	Financial assets that have been impaired	Total 2014
		(EUR million)		
Debt securities	31,419.5	0.3	10.6	31,430.4
Loans and receivables	22,047.6	468.0	92.6	22,608.2
Receivables and other financial assets	1,946.8	44.9	6.4	1,998.1

Financial assets after impairments at 31 December 2013[(1)]

	Neither past due nor impaired	Financial assets that are past due but not impaired	Financial assets that have been impaired	Total 2013
		(EUR million)		
Debt securities	26,137.2	0.7	30.0	26,168.0
Loans and receivables	22,486.0	380.1	109.1	22,975.2
Receivables and other financial assets	1,551.2	557.8	14.1	2,123.1

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Preparation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

Maturity of financial assets that are past due but not impaired at 31 December 2015

	Within three months	Between three and six months	Between six months and a year	More than one year	Total 2015
			(EUR million)		
Debt securities	—	—	—	0.3	0.3
Loans	94.6	14.5	18.0	16.4	143.6
Receivables and other financial assets	32.6	25.5	13.1	—	71.2
Total	127.2	40.0	31.1	16.7	215.0

Maturity of financial assets that are past due but not impaired at 31 December 2014

	Within three months	Between three and six months	Between six months and a year	More than one year	Total 2014
			(EUR million)		
Debt securities	—	—	—	0.3	0.3
Loans	337.8	64.5	41.1	24.6	468.0
Receivables and other financial assets	23.7	6.9	14.2	—	44.9
Total	361.6	71.5	55.3	24.9	513.3

Maturity of financial assets that are past due but not impaired at 31 December 2013

	Within three months	Between three and six months	Between six months and a year	More than one year	Total 2013
			(EUR million)		
Debt securities	—	—	—	0.7	0.7
Loans	269.4	50.8	33.2	26.7	380.1
Receivables and other financial assets	531.3	10.5	15.9	0.1	557.8
Total	800.7	61.3	49.1	27.6	938.7

The fair value of collateral held for loans that are past due and not yet impaired was EUR 158.2 million at 31 December 2015, EUR 400.2 million at 31 December 2014, compared with EUR 295.5 million at 31 December 2013.

Equity Risk

Equity risk is the risk of loss in assets and liabilities as a result of lower market prices, or changes in the volatility of equity prices. Most of the Group's equity risk is in the investment portfolio and there is equity related risk originating from guarantees in the unit-linked and GSB liabilities portfolio. In 2015, the Group kept its risk tolerance for equity risk to 35% of total available economic capital.

At 31 December 2015, the Group's equity portfolio which was held at own risk was EUR 2.2 billion, compared with EUR 3.0 billion at 31 December 2014 and EUR 3.3 billion at 31 December 2013. Approximately 11% of these equity investments was in shareholdings with a stake of 5% or more of the outstanding capital of mainly Dutch companies, 49% in investment funds and 16% in alternative equity (includes private equity, hedge funds and CDO equity) as of 31 December 2015. This compared to approximately 10% and 18% in shareholdings with a stake of 5% or more of the outstanding capital of mainly Dutch companies, 56% and 47% in investment funds and 19% and 19% in alternative equity as of 31 December 2014 and 2013, respectively. The property and bond funds with a value of EUR 0.6 billion at 31 December 2015 compared with EUR 1.3 billion as of 31 December 2014 and EUR 643.1 million as of 31 December 2013, are accounted for in equity securities (investment funds). The remaining 24% of the portfolio comprised ordinary and preference shares as of 31 December 2015, compared with 15% and 16% as of 31 December 2014 and 2013, respectively. Excluding private equity, preference shares and property and bond funds, and including equity derivatives, the equity portfolio is EUR 1.8 billion as of 31 December 2015, compared with EUR 1.8 billion as of 31 December 2014 and EUR 2.3 billion as of 31 December 2013.

Because of high capital charges for equity under Solvency II, the Group has reduced its equity exposure. Due to Solvency II and under its revised investment strategy, the Group is adjusting its asset mix in order to achieve an optimal balance between yield and risk. Consequently, the Group has sold and is in the process of selling a large part of its private equity portfolio. The Group reduced equity risk by selling EUR 426 million of equity securities during 2015. This amount excludes the sale of the private equity fund, but includes the sale of other alternatives. The Group sold EUR 547 million of equity securities during 2014. These were sold across all categories, but predominantly equity funds, participations and ordinary shares.

The Group has examined the optimal equity hedge strategy for its portfolio and concluded that the use of options may lead to suboptimal results. The Group therefore decided to gradually reduce its equity option portfolio. In 2014, the hedges were reduced in line with the reduction in equity exposure. Equity put option exposure has been reduced from a notional value of EUR 1.2 billion at 31 December 2014 to zero at 31 December 2015. The notional value of short futures was EUR 0.5 billion, compared with EUR 0.5 billion of short futures as of 31 December 2014.

Property Risk

Property risk is the risk of losses due to lower prices of property investments. There is no direct property risk in the Group's liabilities. Rental income from the residential portfolio offers protection to the long-term inflation risk faced by the Group's life insurance business.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 16 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands with the exception of some buildings (EUR 19 million) that will be occupied by the Group's entities or will be transformed into residential units.

On 23 December 2015, the Group announced that it had sold its retail portfolio to EPISO 4 for EUR 273 million. The sale comprised 15 retail centres and premises at prime locations in the Netherlands. With this sale the Group has divested its entire retail property portfolio.

The sale of the retail and office portfolios is part of the management actions announced for the transition to Solvency II. This will help to simplify the property portfolio and reduce the risks in its investment portfolio.

The Group's real estate portfolio at 31 December 2015 consists of directly-owned residential assets with a focus on the Netherlands and indirect exposure to real estate through other investments, namely non-listed Dutch real estate funds.

On 31 December 2015, the Group's property portfolio (excluding property funds), which is held at own risk, was valued at EUR 1.1 billion, divided into residential 88%, offices 4%, retail 0%, property occupied by the Group 5% and other 3%. This is compared to the property portfolio (excluding property funds), which is held at own risk, valued at EUR 2.2 billion, on 31 December 2014, divided into residential 45%, offices 35%, retail 13%, property occupied by the Group 5% and other 2% and EUR 2.3 billion on 31 December 2013, divided into residential 41%, offices 36%, retail 12%, property occupied by the Group 6% and other 5%.

Of this portfolio, on 31 December 2015, 89% was located in the Netherlands and 11% in Belgium, compared with on 31 December 2014, when 69% was located in the Netherlands, 25% in Germany and 6% in Belgium. Residential property, which has to date, remained relatively steady, accounts for the largest share of the portfolio. On 31 December 2013, 70% was located in the Netherlands, 24% in Germany and 6% in Belgium.

Vacancy rates for property in the Netherlands as of 31 December 2015 are 2% for residential, 8% for retail and 27% for offices, compared with 2% for residential, 8% for retail and 26% for office as of 31 December 2014 and 2% for residential, 7% for retail and 20% for offices as of 31 December 2013. Vacancy rates for the Dutch property portfolio are calculated by stating rental income foregone as a percentage of total gross rental income, this year-to-year cumulative rate includes the vacancy of the sold property portfolio.

The contractual terms of leases for offices in the Netherlands excluding those occupied by Delta Lloyd range from two to more than five years.

The Group's short-term strategy for direct real estate investments is to maximise free cash flow and optimise the holdings in its portfolio. In the medium and long term, the Groups seeks to be an active real estate fund manager for itself. In addition, the Group seeks to develop and engage in beneficial real estate investment opportunities for itself.

Interest Rate Risk

The Group is subject to interest rate risk as the market value of the assets and liabilities depends mainly on interest rates. There is an additional risk regarding fixed-income assets and instruments, as the yields on these assets may develop differently from the yields used to value the insurance liabilities.

The Group uses the greater of the swap and the minimum cost replicating portfolio represented by the Collateralised AAA curve to measure the value of most insurance liabilities. A UFR of 4.2%, which will be reached in 40 years starting at year 20, is used in line with the methodology adopted by DNB for the Dutch Financial Supervisory Act adequacy test and Solvency II. At 31 December 2014 there was only one bond of the Collateralised AAA curve with a maturity exceeding 15 years. Due to its downgrade by Fitch to AA, the bond disappeared from the Collateralised AAA curve as of 2 January 2015. During 2015, the Group decided to continue using the Collateralised AAA curve.

The Collateralised AAA curve consisted of 429 bonds at 31 December 2015 compared with 381 bonds at 31 December 2014 and 338 bonds at 31 December 2013. The 10-year point of the Collateralised AAA curve at 31 December 2015 was 1.09%. The Collateralised AAA curve currently exceeds the DNB swap curve for most interest rate durations. An UFR of 4.2% is accepted market wide by insurers for solvency purposes, is in line with the findings of EIOPA and is close to the forward rate as calculated by the methodology of the "*commissie UFR*". The Group therefore still considers an UFR of 4.2% suitable for estimating market interest rates and for the valuation of its assets and insurance liabilities. See "*Risk Factors—Financial Risks—Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.*"

The Dutch life insurance entities of the Group also use the Collateralised AAA curve as a basis for reporting under the Dutch Financial Supervisory Act. The adequacy of the insurance liabilities is assessed on the basis of the DNB swap curve with UFR and deficits are added to the insurance liabilities.

The interest rate risk management of the Group aims to ensure a stable Solvency II ratio to the maximum extent possible. Interest rate risk is managed by matching the interest rate sensitivity of assets and liabilities, and by cash flow matching. The interest rate risk is controlled by means of fixed income instruments such as bonds and mortgages, derivatives including swaps and swaptions. The unit-linked guarantee is actively hedged in a separate portfolio. The risk tolerance was set at 12.5% of the Group's total available economic capital for level risk and at 7.5% for slope risk.

The effect of interest rate movements on an economic basis may be different compared to the effects on a regulatory basis. One important factor causing this difference is the UFR. The UFR impacts the interest rate sensitivity of liabilities for maturities beyond 20 years. As the UFR is only applied to liabilities, those assets and liabilities with the same maturity (greater than 20 years react differently to the same curve movements. This difference in interest rate risk sensitivity is difficult to manage, and hedging it worsens the cash flow matching or economic hedging. Although the Group has accepted this risk in order to maintain cash flow matching, the Group will continue to closely monitor this risk.

Inflation Risk

The Group has written group pension policies under which pension benefits are indexed in line with the Dutch or European inflation rate. Part of this inflation risk is hedged by inflation-linked derivative instruments. The Group also faces inflation risk on claims provisions: if inflation rises, so will claims payments. For example, car damage repair costs will be higher than was projected when the premium was set. Finally, the Group's expenses are sensitive to inflation risk as a result of, for example, increasing wages. In the event of deflation, the pension obligations are not adjusted downwards, even though the value of the inflation linked swaps would fall. On the other hand, deflation reduces economic costs. This has a positive net effect on total required economic capital employed by the Group. The inflation risk tolerance was set at 7.5% of total available economic capital.

Currency Risk

The Group defines currency risk as the risk that the value of financial instruments will change due to exchange rate fluctuations.

The Group operates primarily within the euro area. Its investments in foreign currencies are mainly in pound sterling and the US dollar. The Group hedges fixed income investment positions in liquid foreign currencies to limit the impact of exchange rate fluctuations on profit and loss. In 2015, the risk tolerance for currency risk was set at 4% of total available economic capital the same as in 2014.

The Group does not apply hedge accounting under IAS 39 to offset currency risk. The sensitivity to foreign currency in the event of a 10% decrease in the exchange rate of all foreign currencies at the same time was EUR -105.2 million on the result before tax and EUR -78.9 million on capital and reserves as of 31 December 2015 compared with EUR -115.4 million on the result before tax and EUR -86.6 million on capital and reserves as of 31 December 2014.

If an internationally-operated company expresses its equity in foreign currency, the value of the equity is expected to rise if the exchange rate in which the equity is quoted falls. This compensating effect has not been included in the sensitivity analysis.

The table below demonstrates foreign currency assets and liabilities that are held at the Group's own risk. The amounts are before and after hedging using currency derivatives. The category 'Other' consists mainly of Indonesian Rupiah, Turkish liras and New Taiwan dollars.

Foreign currency exposure own risk

	Currency exposure at year-end 2015	Hedged through currency derivatives at year-end 2015	Net currency exposure at year-end 2015	Currency exposure at year-end 2014	Hedged through currency derivatives at year-end 2014	Net currency exposure at year-end 2014	Currency exposure at year-end 2013	Hedged through currency derivatives at year-end 2013	Net currency exposure at year-end 2013
			(EUR million)						
Pound sterling	265.5	135.0	130.5	185.9	83.7	102.2	155.3	88.1	67.2
US dollar 1	1,040.8	768.9	271.9	1,075.4	644.6	430.8	1,442.0	1,190.0	252.0
Brazilian real	29.4	—	29.4	50.8	-0.4	51.2	22.3	—	22.3
Canadian dollar	19.8	9.9	9.9	39.2	10.4	28.8	26.6	8.3	18.3
Swedish krona	21.1	2.3	18.8	26.8	9.6	17.2	14.4	13.5	0.9
Singapore dollar	10.6	—	10.6	17.7	—	17.7	14.5	—	14.5
Hong Kong dollar	39.0	—	39.0	53.3	—	53.3	34.4	—	34.4
Danish krone	140.8	113.9	26.9	204.4	199.0	5.4	10.3	—	10.3
Japanese yen	79.6	11.8	67.8	139.6	93.1	46.5	33.1	-0.2	33.3
Mexican peso	40.5	—	40.5	39.2	—	39.2	31.3	—	31.3
Polish zloty	39.5	—	39.5	33.0	—	33.0	29.3	—	29.3
South African rand	45.5	—	45.5	57.1	-0.3	57.4	34.1	-0.1	34.2
Swiss Franc	56.4	5.2	51.2	10.8	4.5	15.5	—	—	—
Malaysian Ringgit	34.1	—	34.1	30.6	—	30.6	1.5	—	1.5
Australian Dollar	33.7	—	33.7	29.4	—	29.4	—	—	—
Other	196.3	-6.7	203.0	186.3	-19.1	205.4	266.7	-3.5	270.2
Total	**2,092.6**	**1,040.3**	**1,052.3**	**2,179.5**	**1,025.1**	**1,154.4**	**2,115.8**	**1,296.1**	**819.7**

Underwriting Risk

Underwriting risks arise from the possibility that insurance premiums and/or provisions will not be sufficient to meet future payment obligations. This can occur due to mis-selling, inadequate pricing or when claims differ from what was expected. To manage the underwriting risk, the Group has a policy that is periodically tested, in order to ensure that the underwritten risks remain within accepted limits. Each business unit has a dedicated pricing team and a pricing board, that reflect on the pricing and underwriting.

Life Insurance

The main underwriting risks for life insurance are mortality risk, longevity risk, lapse risk and expense risk.

The Group distinguishes between three risk factors within mortality risk: catastrophe risk, trend risk and portfolio-specific mortality risk. Within longevity risk, trend risk and portfolio-specific longevity risk are accounted for. Catastrophe and trend risks relate to national developments while the portfolio-specific mortality risk relates to variances in mortality between the national trend and the Group's portfolio. The sensitivity analysis separately demonstrates the effects of a change in mortality assumptions.

The Group manages longevity risk (the risk that people will live longer than expected) through hedging and detailed analysis, using mortality data within its portfolio as well as the latest external industry data and trends. The Group uses this data to form adequate insurance liabilities. Expected future mortality improvements are incorporated in the pricing of products. In principle and when appropriate, the Group uses the most recent mortality forecasts when valuing insurance liabilities, other than term life policies.

At 31 December 2014, the Group updated the mortality table to the AG2014 mortality prognosis, which is based on more up-to-date mortality figures than the previous AG2012 prognosis that had been used. One of the main strengths of the AG2014 mortality prognosis is that it is based on historic mortality figures in the Netherlands, but also takes into account the stable European mortality development trend. This makes it transparent, reproducible and suitable for the majority of the population relevant to the Group.

The Group is setting aside additional longevity provisions for annuity and pension products on top of the premium principles. The additional longevity provisions were EUR 2,240.7 million at 31 December 2015, EUR 2,238.0 million at 31 December 2014 (EUR 2,143.5 million excluding Delta Lloyd Deutschland) and EUR 1,828.9 million at 31 December 2013 (EUR 1,732.7 million excluding Delta Lloyd Deutschland). The increase is mainly caused by lower interest rates.

In August 2014 and June 2015 the Group completed its transaction with RGA to partially mitigate the longevity risk related to its Dutch life insurance portfolio by entering into the Longevity Derivatives. These Longevity Derivatives will reduce the financial impact of policyholders living longer than currently expected during the term of the contract. In exchange for this protection a fixed premium is paid to RGA at contract maturity that is offset against any payments from RGA due under the Longevity Derivatives. See "*Business—Material Contracts—Longevity Derivatives*".

Mortality risk (the risk that people will die sooner than expected) is also significant to the Group's Life insurance business. As with longevity, insight into this risk is obtained by extensive analysis of mortality statistics. Although mortality and longevity risks are opposite risks, they cannot always be netted because of the different age structures and exposures in the portfolios concerned.

Mortality risk is managed by reinsurance and checks for accepting new business. The mortality risk reinsurance programme is set annually. On 31 December 2014, the Group Levensverzekering renewed the additional one-year mortality reinsurance contract originally agreed in 2011. The capital relief for 2015 has increased compared to 2014. This contract was not renewed on 1 January 2016, when a one-year stop-loss reinsurance contract was entered into, leading to additional capital relief for 2016. To manage mortality risk, the Group's guidelines for term life business include mandatory medical examination above set limits.

The life insurance business is also exposed to lapse risk. This involves all the options available to policyholders to change their insurance. At the Group, this mainly involves the possibility that the policies are surrendered, or become paid-up. Keeping life insurance products attractive for customers, agents, Intermediaries and banks is key to managing this risk. Trends in lapses in the portfolio are carefully monitored.

Due to the low interest rate environment, most interest-guaranteed products are 'in the money' in that the level of guaranteed investment return is higher than current interest rates. The most important risk element is having lower lapses than anticipated.

Expense risk to life insurance mainly involves the risk of increasing costs for maintaining current policies. The Group manages this risk through detailed budgeting, a dedicated cost reduction programme and monitoring all costs using activity-based costing.

Life insurance contracts do not have a high concentration risk.

The Group regularly tests whether insurance liabilities are adequate. The liabilities in this adequacy test are measured using realistic assumptions plus a margin for uncertainty. The Group tests for both IFRS (liability adequacy test) and the Dutch Financial Supervisory Act (adequacy test) purposes. Each year, an external actuary provides an opinion on the adequacy of the technical provisions. Both IFRS and the Dutch Financial Supervisory Act tests require the overall technical provisions to be adequate.

For the year ended 31 December 2015, the risk margin increased by EUR 139 million under IFRS standards and EUR 411 million under the standards of the Dutch Financial Supervisory Act. The increase to the IFRS risk margin is mainly due to the inclusion of operational risk on the SF basis beginning in the second quarter of 2015. The increase to the risk margin for the Dutch Financial Supervisory Act was mainly due to the impact of using SF non-hedgeable rights capitals rather than partial internal model non-hedgeable rights capitals as for the full year 2015.

General Insurance

Risk management of the general insurance portfolios focuses on risk mitigation through strict acceptance policies, stringent claims-handling procedures and risk-based reinsurance contracts.

An acceptance policy is developed for each Group product line and is evaluated each year and revised if necessary. Regular random checks are carried out on the product lines to check whether underwriters are following the rules and regulations.

The Group has customised reinsurance programmes for the various business units and risk groups. The exposure to the parent reinsurance companies of these reinsurance contracts (general insurance, life insurance and Delta Lloyd Life Belgium) are monitored in the Delta Lloyd Security List, to ensure that they remain below the concentration limits of the Group's risk appetite.

Catastrophic events are a major risk to the Group's general insurance business. The main natural catastrophe threatening the Netherlands is storms that cause severe wind damage. The Group's cumulative risk (maximum possible loss) resulting from natural disasters (particularly storms) is identified using postal codes. The Group purchased a reinsurance contract offering protection against a 1 in 200 year storm based on the RMS catastrophe model. The catastrophe reinsurance contract for the year 2015 provides a cover of EUR 400 million above the retention limit of EUR 40 million, compared with a cover of EUR 390.0 million above the retention limit of EUR 50.0 million for the year 2014.

For a second catastrophe the retention limit is lowered to EUR 20.0 million by means of a special reinsurance contract.

The Group's general insurance business also faces risks regarding the frequency and size of claims, unexpected claims, inaccurate pricing of the general insurance risks, inadequate reinsurance protection and concentration risk. To manage the risk of higher claim frequencies and higher-than-expected claims and a higher ratio of claims to premiums (claims ratio), the Group monitors the probability of occurrence and the required economic capital per risk group.

In addition, reinsurance contracts per risk group are in place, covering the Group against large one- off events such as fires. All these contracts cover both Dutch property and casualty entities within the Group.

The Dutch Marine Insurance portfolio risk was transferred to a reinsurance company. The reinsurance company that took over the risk is specialised in runoff business. By setting up a trust the counterparty default risk of this transaction is minimised.

The Group takes the 'premium rating cycle' characteristic of the general insurance industry into account when pricing general insurance policies. Favourable market results put downward pressure on premiums (due to a higher capital supply) and this leads to weaker financial performance, necessitating an increase in premiums. The Group has product teams and specific knowledge centres to manage this risk and for the correct timing of premium pricing or adjustments.

To value insurance liabilities for the general insurances, the Group calculates best estimates based on standard actuarial projection techniques. The Group therefore uses past claims to project future claims development. This involves the risk that the insurance liabilities may prove to be inadequate. The adequacy of claim liabilities is therefore tested each quarter, with the external actuary providing an opinion on the adequacy of the technical provisions. Both IFRS (liability adequacy test) and the Dutch Financial Supervisory Act (adequacy test) require that the overall technical provisions are adequate at the legal entity level. The Group has internal requirements of adequacy on the segment level of property and casualty as well as disability insurance.

Liquidity Risk

The Group has a strong liquidity position, and therefore liquidity risk at Group level is deemed to be limited. Active cash management within Treasury ensures the Group has sufficient liquidity to meet its liabilities when these fall due. Within the Group, the banking operations face the highest liquidity risk. This is the risk that liquid assets are insufficient to meet potential short-term obligations. The banking activities have a separate liquidity policy in place to mitigate this risk. The liquidity risk is closely monitored by risk management functions and asset liability committees within the banking business.

In June 2014, the Group placed a new EUR 750.0 million fixed-to-floating-rate subordinated note transaction under the euro medium-term note ("EMTN") programme at a coupon of 4.375%. The subordinated perpetual notes can be redeemed at the Group's option from 13 June 2024 onwards. The EMTN programme was launched in 2010 to gain efficient and flexible access to working capital. This is in addition to the sources of capital and liquidity already in use. In 2015 and 2014, the Group regularly continued to use its commercial paper programme, set up in 2010, to meet part of its short-term financing requirement. The maximum total financing available under these programmes is EUR 4.0 billion. The Group also has substantial committed and uncommitted credit facilities in place with several reputable financial institutions.

The Group's insurance operations face a limited liquidity risk: there are sufficient liquid investments and inflows of new premiums compared to a stable outflow of payments. The Group has defined a target LCR of 105% for the insurance entities. The LCR largely meets the target, i.e. the ratios show that in case of a stress situation (e.g. mass lapse, catastrophe), the Group will have a sufficient liquid stock of assets.

The Group's banking business requires liquidity mainly to fund residential mortgage and retail lending. In 2014, Delta Lloyd Bank Netherlands successfully securitised EUR 1,557 million of NHG residential mortgages in two transactions (Arena NHG 2014-I and Arena NHG 2014-II). Residential mortgages are also funded from alternative sources, such as savings, premium deposits, intercompany loans and assignments, traditional bank financing and repurchase agreement transactions. In 2015, EUR 23.0 million of funding was obtained through bank annuities; compared with EUR 98.1 million in 2014 and EUR 135.9 million in 2013. If necessary, the Group can partially limit its funding needs by increasing the margins on mortgage loans, thereby limiting new mortgage lending.

The tables below provide details on the contractual maturity of the assets on the statement of financial position of the Group. The amounts reported are the Group's own risk. The derivatives are presented in a separate table. The receivables and other financial assets are not included in the statement as they are held for the short term. See note 4.1.7.20 '*Receivables and other financial assets*' for further information on receivables and other financial assets included in the 2015 Financial Statements incorporated by reference herein.

Contract maturity date of assets at 31 December 2015

	Within one year	Between one and three years	Between three and five years	More than five years	Not stated	Total 2015
			(EUR million)			
Goodwill	—	—	—	—	269.2	269.2
AVIF and other intangible assets	—	—	—	—	90.9	90.9
Deferred acquisition costs	—	—	—	—	109.9	109.9
Property and equipment	—	—	—	—	55.1	55.1
Investment property	—	—	—	—	1,052.2	1,052.2
Associates and joint ventures	—	—	—	—	278.9	278.9
Debt securities	688.9	1,134.3	1,914.8	24,487.6	116.4	28,342.1
Equity securities	—	—	—	—	2,169.3	2,169.3
Loans and receivables	44.4	262.6	374.6	14,826.3	404.9	15,912.7
Reinsurance assets	102.3	91.9	61.4	306.4	—	562.0
Accrued interest and prepayments	524.0	15.0	—	—	—	539.0
Cash and cash equivalents	2,503.4	—	—	—	—	2,503.4
Assets held for sale	29.2	—	—	—	—	29.2
Total	**3,892.3**	**1,503.9**	**2,350.8**	**39,620.3**	**4,546.8**	**51,914.0**

Contract maturity date of assets at 31 December 2014

	Within one year	Between one and three years	Between three and five years	More than five years	Not stated	Total 2014
			(EUR million)			
Goodwill	—	—	—	—	290.4	290.4
AVIF and other intangible assets	—	—	—	—	104.2	104.2
Deferred acquisition costs	—	—	—	—	118.3	118.3
Property and equipment	—	—	—	—	102.2	102.2
Investment property	—	—	—	—	2,079.5	2,079.5
Associates and joint ventures	—	—	—	—	338.3	338.3
Debt securities	568.3	1,633.4	1,663.8	27,428.4	136.5	31,430.4
Equity securities	—	—	—	—	2,964.0	2,964.0
Loans and receivables	2,244.2	784.4	954.7	18,548.1	76.7	22,608.2
Reinsurance assets	136.3	111.3	68.4	336.9	—	652.9
Accrued interest and prepayments	669.6	—	—	—	—	669.6
Cash and cash equivalents	2,979.8	—	—	—	—	2,979.8
Assets held for sale	3.1	—	—	—	—	3.1
Total	**6,601.3**	**2,529.1**	**2,687.0**	**46,313.4**	**6,210.1**	**64,340.8**

Contract maturity date of assets at 31 December 2013[(1)]

	Within one year	Between one and three years	Between three and five years	More than five years	Not stated	Total 2013
			(EUR million)			
Goodwill	—	—	—	—	283.5	283.5
AVIF and other intangible assets	—	—	—	—	100.1	100.1
Deferred acquisition costs	—	—	—	—	137.8	137.8
Property and equipment	—	—	—	—	106.3	106.3
Investment property	—	—	—	—	2,183.0	2,183.0
Associates and joint ventures	—	—	—	—	296.9	296.9
Debt securities	479.8	1,318.7	1,700.8	22,522.4	146.3	26,168.0
Equity securities	—	—	—	—	3,300.1	3,300.1
Loans and receivables	1,889.2	1,450.0	871.0	18,691.6	73.5	22,975.2
Reinsurance assets	87.0	95.3	65.9	305.8	—	554.0
Accrued interest and prepayments	648.0	—	0.1	1.7	—	649.8
Cash and cash equivalents	1,275.7	—	—	—	—	1,275.7
Assets held for sale	6.8	—	—	—	—	6.8
Total	**4,386.5**	**2,864.0**	**2,637.8**	**41,521.4**	**6,627.4**	**58,037.1**

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Preparation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

The tables below present the maturity analysis for derivatives. The amounts reported are held at the Group's own risk and at the risk of policyholders. All positive cash flows are added up and broken down by maturity, and all negative cash flows are added up and broken down by maturity. Neither the positive nor the negative cash flows are discounted, so they cannot be reconciled with the statement of financial position.

Maturity analysis of derivatives at 31 December 2015

	Within one year	Between one and three years	Between three and five years	More than five years	Total 2015
			(EUR million)		
Negative cash flow	1,519.6	158.9	199.0	5,264.1	7,141.6
Positive cash flow	1,667.5	491.8	350.1	5,837.7	8,347.1

Maturity analysis of derivatives at 31 December 2014

	Within one year	Between one and three years	Between three and five years	More than five years	Total 2014
			(EUR million)		
Negative cash flow	1,761.7	308.9	373.5	4,385.9	6,830.1
Positive cash flow	1,889.6	941.2	316.1	5,448.4	8,595.3

Maturity analysis of derivatives at 31 December 2013[(1)]

	Within one year	Between one and three years	Between three and five years	More than five years	Total 2013
			(EUR million)		
Negative cash flow	1,951.0	747.5	511.9	6,224.3	9,434.6
Positive cash flow	1,884.0	930.1	949.9	5,619.5	9,383.5

(1) The figures presented reflect the restatement due to changes in accounting policies as a result of the application of IFRS 10 and a change in accounting policy for a portion of long-term claim liabilities and their related assets, which was implemented during 2014. For a more detailed discussion, see "*Important Information—Preparation of Financial and Other Information—Restatement of Financial Statements at and for the year ended 31 December 2013 other than to give effect to disposals*".

The tables below provide information on the contract maturity dates of the insurance contracts. The amounts are discounted cash flows.

Contract maturity date of insurance contract liabilities at 31 December 2015

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2015
			(EUR million)		
Non-unit-linked	1,481.5	5,307.9	11,752.4	12,596.8	31,138.6
Unit-linked	799.7	2,710.0	4,859.9	4,241.3	12,611.0
Total life insurance contract liabilities	2,281.3	8,017.9	16,612.3	16,838.1	43,749.6
General insurance liabilities	625.6	807.6	512,7	94.3	2,040.3
Total	**2,906.9**	**8,825.6**	**17,125.0**	**16,932.5**	**45,789.9**

Contract maturity date of insurance contract liabilities at 31 December 2014

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2014
			(EUR million)		
Non-unit-linked	2,098.5	6,498.9	12,643.9	13,458.9	34,700.2
Unit-linked	938.0	2,882.2	5,170.5	4,620.5	13,611.1
Total life insurance contract liabilities	3,036.5	9,381.1	17,814.4	18,079.4	48,311.4
General insurance liabilities	692.1	832.3	540.2	105.7	2,170.4
Total	**3,728.7**	**10,213.4**	**18,354.6**	**18,185.1**	**50,481.7**

Contract maturity date of insurance contract liabilities at 31 December 2013

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2013
			(EUR million)		
Non-unit-linked	2,207.9	6,596.1	10,904.9	9,932.9	29,641.8
Unit-linked	748.9	2,547.2	4,434.3	4,689.7	12,420.1
Total life insurance contract liabilities	2,956.8	9,143.4	15,339.1	14,622.6	42,062.0
General insurance liabilities	794.6	889.4	490.1	104.6	2,278.8
Total	**3,751.5**	**10,032.8**	**15,829.2**	**14,727.2**	**44,340.7**

The tables below provide details on the contract maturity dates of investment contracts. The amounts shown are undiscounted cash flows and therefore cannot be reconciled with the statement of financial position. There was an increase of EUR 594.8 million for the year ended 31 December 2015.

Contract maturity date of investment contracts at 31 December 2015

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2015
			(EUR million)		
Non-unit-linked	168.1	882.6	2,592.4	2,532.7	6,175.8
Unit-linked	21.4	237.7	619.8	958.9	1,837.9
Total life investment contract liabilities	**189.6**	**1,120.3**	**3,212.2**	**3,491.6**	**8,013.7**

Contract maturity date of investment contracts at 31 December 2014

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2014
			(EUR million)		
Non-unit-linked	302.9	1,017.5	2,401.0	2,456.2	6,177.6
Unit-linked	13.8	175.3	573.6	478.6	1,241.3
Total life investment contract liabilities	**316.7**	**1,192.8**	**2,974.6**	**2,934.8**	**7,418.9**

Contract maturity date of investment contracts at 31 December 2013

	Within one year	Between one and five years	Between five and fifteen years	More than fifteen years	Total 2013
			(EUR million)		
Non-unit-linked	307.2	1,069.1	2,257.8	2,235.0	5,869.1
Unit-linked	25.0	148.8	352.8	159.6	686.2
Total life investment contract liabilities	**332.2**	**1,217.9**	**2,610.6**	**2,394.6**	**6,555.3**

The tables below provide details on the contractual maturities of borrowings. The amounts reported may differ from those in the consolidated statement of financial position, which are based on undiscounted cash flows. Items that do not generate cash flow are discounting, amortisation of expenses, value changes in derivatives, own risk surcharges and the like. In addition, undiscounted future interest payments are reported in a separate line and allocated to the relevant maturity category.

Interest payments on loans and loan terms are recognised until the contract end date.

Contract maturity date of borrowings at 31 December 2015

	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total 2015
				(EUR million)			
Subordinated debt	—	—	—	—	—	1,650.8	1,650.8
Securitised mortgage loan notes	—	—	—	—	—	2,218.9	2,218.9
Medium-term note	—	575.0	—	—	—	—	575.0
Commercial paper	164.9	—	—	—	—	—	164.9
Convertible loan	—	—	—	—	—	2.0	2.0
Other	—	—	—	—	—	—	—
Total borrowings	164.9	575.0	—	—	—	3,871.7	4,611.5
Future interest payments	133.2	133.0	108.5	108.5	108.5	4,949.2	5,541.0
Total borrowings including future interest payments	**298.1**	**708.0**	**108.5**	**108.5**	**108.5**	**8,820.9**	**10,152.6**

Contract maturity date of borrowings at 31 December 2014

	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total 2014
				(EUR million)			
Subordinated debt	—	—	—	—	—	1,650.7	1,650.7
Securitised mortgage loan notes	—	—	—	15.3	—	2,920.1	2,935.4
Medium-term note	—	—	575.0	—	—	—	575.0
Commercial paper	311.0	—	—	—	—	—	311.0
Convertible loan	—	—	—	—	—	2.0	2.0
Other	42.1	88.4	24.5	4.7	3.8	16.7	180.3
Total borrowings	353.2	88.4	599.5	20.0	3.8	4,589.6	5,654.4
Future interest payments	127.9	125.6	146.5	145.9	121.2	5,333.7	6,000.9
Total borrowings including future interest payments	**481.1**	**214.0**	**746.0**	**165.8**	**125.1**	**9,923.3**	**11,655.4**

Contract maturity date of borrowings at 31 December 2013

	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	More than five years	Total 2013
				(EUR million)			
Subordinated debt	—	—	—	—	—	1,004.7	1,004.7
Amounts owed to credit institutions	11.9	50.7	—	—	—	—	62.6
Securitised mortgage loan notes	—	—	—	27.9	—	4,150.7	4,178.6
Medium-term note	—	—	—	575.0	—	—	575.0
Commercial paper	94.9	—	—	—	—	—	94.9
Convertible loan	—	—	—	—	—	2.0	2.0
Other	102.2	42.8	92.1	26.2	5.0	21.5	289.8
Total borrowings	209.0	93.5	92.1	629.1	5.0	5,178.9	6,207.5
Future interest payments	148.0	142.7	141.1	127.6	112.5	3,266.4	3,938.2
Total borrowings including future interest payments	**356.9**	**236.2**	**233.2**	**756.8**	**117.5**	**8,445.3**	**10,145.8**

Sensitivity analysis

The effects of these sensitivity factors, which are determined using actuarial and statistical models, are shown in the tables below. For life insurance, the sensitivities are only disclosed gross of reinsurance as the reinsured portion does not lead to a material change in value. For general insurance, the sensitivities are shown both gross and net of reinsurance. The sensitivity analysis of level 3 measurements in the fair value hierarchy (measurement method not based on significant observable market inputs) is presented in note 4.1.7.37 '*Fair value of assets and liabilities*' in the 2015 Financial Statements incorporated by reference herein. The sensitivity analysis of pensions is presented in note 4.1.7.29 '*Pension obligations*' in the 2015 Financial Statements incorporated by reference herein.

The sensitivities can be described as follows:

Sensitivity factor

Factor	Description of sensitivity factor
Credit spreads	The effect of a 50 bps change in credit spread (applicable to sovereign, sub-sovereign and collateralised bonds with a rating below AAA, corporate bonds, FV loans).
Interest rates	The effect of a 25 bps increase or decrease across the yield curve taking the UFR methodology into account (UFR is not changed).
Equity values	The effect of a change of 10% in equity value (applicable to ordinary shares, 5% participations, investment funds and derivatives), taking into account a beta factor of 84% (2014 81%).
Property values	The effect of a change of 10% in property value (applicable to offices, residential, retail and other property).
Funding spreads	The effect of a 50 bps change in funding spread (applicable in the valuation of FV mortgages without a NHG guarantee and mortgage funding).
Expenses	The effect of a 10% increase in expense assumptions
Mortality and disability risk in life insurance	The effect of an increase of 5% in mortality and disability risk probabilities.
Longevity risk	The effect of a reduction of 5% in mortality probabilities.
Additional interest sensitivities on the Collateralised AAA curve	The effect of a Last Liquid Point (LLP) of 15 years.
Additional interest sensitivities on the Collateralised AAA curve	The effect of a UFR of 3.2%
Additional interest sensitivities on the Collateralised AAA curve	The effect of a LLP of 15 years in combination with a UFR of 3.2%.

The tables below show the impact of the main market risks on the Group's results and on shareholders' funds. The IFRS sensitivities are based on Delta Lloyd accounting policies and are shown after tax. The sensitivities of Delta Lloyd Deutschland and Delta Lloyd Bank Belgium are not taken into account in the figures of 31 December 2014 and 31 December 2015. Both entities were sold during 2015 and were classified as held for sale on 31 December 2014 with a fixed exit value.

Sensitivity analysis of investments of life insurance business

	Impact on result after tax at 31 December 2015	Impact on equity at 31 December 2015	Impact on result after tax at 31 December 2014	Impact on equity at 31 December 2014
	(EUR million)			
Credit spreads +50 bps	-588.4	-588.4	-426.5	-426.5
Credit spreads -50 bps	643.4	643.4	463.2	463.2
Interest rate +25 bps	-829.1	-829.1	-845.5	-845.5
Interest rate -25 bps	877.4	877.4	899.2	899.2
Equity values +10%	-7.6	55.9	-25.5	35.6
Equity values -10%	11.1	-52.4	38.9	-22.3
Property values +10%	99.5	99.5	140.2	140.2
Property values -10%	-99.5	-99.5	-140.2	-140.2

Sensitivity analysis of liabilities of life insurance business

	Impact on result 31 December 2015	Impact on equity at 31 December 2015	Impact on result at 31 December 2014	Impact on equity at 31 December 2014
	(EUR million)			
Interest rates +25 bps	798.9	798.9	823.0	823.0
Interest rates -25 bps	-836.6	-836.6	-861.7	-861.7
Equity values +10%	40.3	40.3	37.0	37.0
Equity values -10%	-46.9	-46.9	-39.4	-39.4
Mortality rates -5%	-218.0	-218.0	-213.5	-213.5
Expense risk +10%	-30.1	-30.1	-35.1	-35.1
Mortality risk +5%	203.5	203.5	207.4	207.4
Collateralised AAA curve with LLP 15 yr	501.6	501.6	N/A	N/A
Collateralised AAA curve with UFR 3.2 %	-304.4	-304.4	N/A	N/A
Collateralised AAA curve with LLP 15 yr and UFR 3.2%	-8.7	-8.7	N/A	N/A

Sensitivity analysis of investments of general insurance, gross of reinsurance

	Impact on result after tax at 31 December 2015	Impact on equity at 31 December 2015	Impact on result after tax at 31 December 2014	Impact on equity at 31 December 2014
	(EUR million)			
Credit spreads +50 bps	-11.0	-25.4	-12.9	-25.9
Credit spreads -50 bps	11.5	26.7	13.5	27.2
Interest rates +25 bps	1.5	-8.3	2.6	-8.7
Interest rates -25 bps	-1.0	9.1	-2.7	9.0
Equity values +10%	0.3	18.5	0.4	10.6
Equity values -10%	-0.6	-18.0	-1.0	-10.6
Property values +10%	—	0.3	—	4.1
Property values -10%	—	-0.3	—	-4.1
Expense risk +10%	-23.2	-5.4	-23.8	-5.1
Claims ratio +5%	-32.2	-32.2	-36.4	-36.4

Sensitivity analysis of investments of general insurance, net of reinsurance

	Impact on result after tax at 31 December 2015	Impact on equity at 31 December 2015	Impact on result after tax at 31 December 2014	Impact on equity at 31 December 2014
	(EUR million)			
Credit spreads +50 bps	-11.0	-25.4	-12.9	-25.9
Credit spreads -50 bps	11.5	26.7	13.5	27.2
Interest rates +25 bps	1.5	-8.3	2.6	-8.8
Interest rates -25 bps	-1.0	9.1	-2.7	9.0
Equity values +10%	0.3	18.5	0.4	10.6
Equity values -10%	-0.6	-18.0	-1.0	-10.6
Property values +10%	—	0.3	—	4.1
Property values -10%	—	-0.3	—	-4.1
Expense risk +10%	-23.2	-5.4	-23.8	-5.1
Claims ratio +5%	-29.8	-29.8	-29.3	-29.3

Sensitivity analysis of bank and other

	Impact on result after tax at 31 December 2015	Impact on equity at 31 December 2015	Impact on result after tax at 31 December 2014	Impact on equity at 31 December 2014
	(EUR million)			
Credit spreads +50 bps	—	-1.7	—	-3.2
Credit spreads -50 bps	—	1.7	—	3.2
Interest rates +25 bps	-25.6	-27.0	-27.5	-28.9
Interest rates -25 bps	26.2	27.6	28.1	29.5
Equity values +10%	—	8.1	—	7.4
Equity values -10%	—	-8.1	—	-7.4
Funding spreads +50 bps	-26.8	-26.8	-18.1	-18.1
Funding spreads -50 bps	26.8	26.8	18.0	18.0

Credit spread risk

Credit risk increased in 2015 mainly due to increased exposure to credit risk. This is mainly caused by higher exposure to sovereign bonds with a rating below AAA at the cost of AAA sovereign bond exposure. Credit spread sensitivities do not contain spread sensitivity to mortgages and mortgage funding. The sensitivity in the funding spread of mortgages is reported separately.

Interest rate risk

Under IFRS, insurance liabilities are measured using the Collateralised AAA curve. Delta Lloyd introduced the UFR methodology in the Collateralised AAA curve in 2013. The sensitivities are calculated using a fixed UFR. In addition, due to the current low interest rates, interest rate sensitivity is based on a 0.25% increase or decrease in interest rates.

At group level, the sensitivity to both investments and liabilities slightly decreased due to the increased interest rates in 2015. Given that the decrease in investments and liabilities are comparable, the total sensitivity impact remained stable compared to year-end 2014.

Equity risk

Since equity derivatives are valued at fair value with movement through profit and loss while other equity classes are not, there is a difference in the impact of equity risk on the results and on the solvability. Equity sensitivity to a fall in equity markets increased compared to year-end 2014, due to a slight increase in exposure in 2015 to conventional equity, the reclassification of real estate funds and preference shares to equity and a reduction in equity option exposure. The significant reduction in private equity in 2015 does not impact sensitivities as those are not included in sensitivity analysis under IFRS. In determining the equity sensitivities, Delta Lloyd takes into account the relation between its equity risk profile and general market equity risk. If market equity values drop by 10% a less severe loss is expected in Delta Lloyd's equity portfolio. This beta factor used to determine the equity sensitivities is based on an internal investigation of the equity portfolio and equals 84% at year-end 2015 compared to 81% at year-end 2014.

Property risk

Sensitivity to a fall in property markets decreased in 2015. In the second half of 2015 a large portion of the commercial real estate portfolio of Delta Lloyd was sold. This sale resulted in lower property exposure and, therefore, a reduction of the property sensitivities.

Funding spread risk

Sensitivity to mortgages and mortgage funding is reported separately under the funding spread sensitivity. The bottom-up spread for determining the fair value of the mortgage portfolio depends on spreads obtained from the RMBS market. The bottom-up spread is compared with a top-down benchmark and is adjusted when the bottom-up spread is outside the benchmark. In determining the mortgage sensitivities, the assumption is made that both the bottom-up spread and the top-down benchmark change with 50 bps. The Group excludes NHG mortgages when determining the funding spread sensitivity. The treatment of NHG mortgages is in line with the methodology under the Basel framework. In addition, The Group uses mortgages as matching assets for long-term insurance liabilities. In this respect the Group primarily faces default risk on its mortgage portfolio. The exclusion of mortgages with a NHG guarantee reduced the +50 bps sensitivity on result and shareholders' funds by EUR 26.7 million and reduced the -50 bps sensitivity by EUR 26.7 million per year-end 2015.

Insurance risks

In addition to the impact of the main market risks on shareholders' funds, the sensitivity to a number of insurance risks is also presented. All reported insurance risks (longevity risk, mortality risk, expense risk and claims ratio risk) remained fairly stable compared to year-end 2014, small changes are seen due to developments in the insurance portfolio. See "*Risk Factors—Financial Risks—Interest rate volatility as well as the interest rates used pursuant to regulatory requirements for valuing liabilities as the Group transitions to Solvency II could have a material adverse effect on the Group's business, results of operations, financial condition and prospects" and* "*Operating and Financial Review—Liquidity & Capital Resources—Regulatory Capital Requirements—Solvency II—Solvency Capital Requirements"*.

Additional sensitivities on the Collateralised AAA curve

Under IFRS, insurance liabilities are measured using the Collateralised AAA curve. This interest rate curve is assumed to converge to a UFR after the last liquid point ("LLP"). At year end 2015, the UFR and the LLP that were used to determine the Collateralised AAA curve were 4.2% and 20 years, respectively. To provide more insight in the sensitivity of the insurance liabilities to the underlying assumptions, additional interest rate sensitivities are determined based on a UFR of 3.2%, a LLP of 15 years and a combination of both. These additional sensitivities were determined for the first time at year end 2015, hence comparison with year end 2014 is not possible. In addition, the sensitivities have only been determined for the life insurance business since the effects are not material for general insurance and other business. A change of the LLP results in an earlier convergence to the UFR. This increases the interest rate curve for long durations, resulting in a positive effect on shareholders' funds. Lowering the UFR to 3.2% decreases the interest rate curve, resulting in a decrease of shareholders' funds. When a combination of both a UFR and a LLP change is applied, both effects cancel out, resulting in a limited total impact.

Limitations of sensitivity analysis

The sensitivity tables demonstrate the effect of a change in one of the key assumptions while other assumptions remain unchanged. In reality, such an occurrence is very unlikely due to correlation between the factors. Furthermore, these sensitivities are non-linear, and larger or smaller impacts cannot easily be derived from the results. The sensitivity analysis does not take into consideration that the Group's assets and liabilities are actively managed and may vary at the time that any actual market movement occurs. The financial risk management strategy aims to actively manage the exposure to market fluctuations. Techniques used include selling investments, changing investment portfolio allocation and using derivative financial instruments. Another limitation in the sensitivity analysis is that the hypothetical market movements represent the Group's view on reasonably possible near-term market changes, which cannot be predicted with any certainty. A final limitation is the assumption that all interest rates move in an identical direction (with exception of convergence to the UFR) while this may not be the case in practice.

Strategic Risk

Scenario thinking

When the Group devises its strategy it takes into account scenarios outlining possible directions for the business in the future. The scenarios analyse social, economic and market trends that are not under the Group's direct influence and how these could shape the business environment in 15 or 20 years' time. Based on this, the Group can make strategic decisions that allow it to act upon opportunities and mitigate uncertainties and risks.

The Group has used scenarios since 2004 to guide its strategy. Scenario thinking is embedded in its management and control processes. It determines the choices made and the areas the Group focuses on when it plans its business activities. The Group's updated "Closer to the customer" strategy builds upon its mission statement and consists of key success factors supported by enablers for success. The strategy is now being translated into tactical and operational plans for 2016 through 2018. See "*Business—Revised Strategy*". The Group's recently announced Capital Plan is designed to ensure the Company is strongly positioned in the new Solvency II era, which has been effective since 1 January 2016. The Group's plans are also intended to manage capital adequacy and the sensitivity of results to market movements and to improve its operating and financial performance. See "*Business—Capital Plan*".

Own Risk and Solvency Assessments (ORSA)

The Group uses scenarios to assess whether inherent risks, effectiveness of controls and an assessment of the probability and consequences of residual risks are covered. The risk management cycle includes quarterly risk updates, which are done by the management of each of the Group's business units and annually, ORSA, which are also a requirement of Solvency II. The update is a bottom-up process, which reflects risks at team, business unit and group level. Based on the identified risks, a top 10 risk map is made and actions defined to mitigate these risks. ORSA is a more forward-looking risk management exercise to oversee and manage the effects of risk scenarios over a longer period and is incorporated in the Group's planning process.

Corporate Competences

To achieve its strategic goals, the Group must have the right competences in the organisation. The Group excels in areas such as multi-channel distribution, risk management, efficiency, and anticipating regulatory and market changes that could influence the Group's business, such as the growing demand for defined-contribution products.

Areas where the Group needs to develop or improve competences include customer focus, further simplifying the Group's relatively complex IT systems and risk-based pricing—analysing specific risks and pricing products accordingly, rather than applying a generic price. Many of these competences are IT-related—digitalisation, effectively mining big data, migrating more products and services online.

To strengthen the Group's market position and optimise business mix, customer centricity, improving efficiency, risk/return and capital management will be prioritised.

Legal and Regulatory Risk

By correctly interpreting and translating relevant legislation and regulations, industry codes and codes of conduct into policy, the Group can avoid inappropriate behaviour and manage inherent reputation risk and financial risks. A compliance policy has been set up and contains four themes:

- Awareness;
- Governance;
- Signalling legislation and regulations; and
- Implementing legislation and regulations.

The Compliance function is responsible for the Group's adherence to laws and regulation and focuses on the requirements of the supervisory authorities. Group departments like Group Finance, Control & Tax, Group Actuarial and Risk Management, Group HRM and Business Development and Group Legal deal with specific legislation and regulations, e.g. with respect to financial reporting, capital management and HRM-related subjects.

Regulators Desk

Regulation of the financial markets has increased significantly in recent years, partly influenced by involvement of European regulators. Simultaneously the supervising authorities have strengthened their supervision at financial institutions. The Regulators Desk co-ordinates internal and external contacts with the regulatory authorities and distributes regulators' supplementary guidelines to the different business units. The Regulators Desk is coordinated by Group Compliance.

Customer centric

Customer centricity is a key element of the Group's strategy. A specific programme was set up in 2012 to ensure that focus on the customer's interest is a key priority. The Compliance function actively contributes to the various pillars of this programme and encourages the implementation of any new legislation, regulations and industry codes in this area.

Operational Risk

The Group recognises the risk of simultaneously implementing several major change processes, such as sharing services through chain integration and profit improvement programmes, since each of these initiatives requires careful monitoring and control. The Group Business Development department is responsible for central coordination of the inception, management and implementation of change processes.

The Group records and analyses operational losses in the business units and keeps a central register of losses exceeding EUR 10,000. Scenarios based in part on possible operational losses are computed for impact and probability. This supports current and future risk analysis and controls, which are in place or will be implemented. The Group is a member of ORIC International, an independent 'loss data' consortium set up by the Association of British Insurance Companies to provide and benchmark operational loss data for internal Solvency II modelling and operational risk management.

The Group's Operational Risk Committee consists of risk management specialists from the divisions and discusses and advises on operational risks. These include the consequences of IT risks on operations, outsourcing, fraud and crime, business protection and human resources. For more information on the Group's operational risks and related DNB correspondence please see, "*Risk Factors—Regulatory and Litigation Risks—Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on the Group's business, results of operations, financial condition and prospects*."

IT and Infrastructure

The Group believes that its IT systems are appropriately structured and utilised to achieve its strategic and operational goals, look after its customers' interests and meet statutory and regulatory requirements. To maintain this situation, the Group has an effective IT risk management and control system in place, and is in the process of replacing legacy systems, including those at Delta Lloyd Life Belgium. The IT risk manager supervises compliance with and the further development of the risk management system in a changing environment and under changing market conditions. The ICT Board is the risk committee on IT matters. It comprises managing directors, two members of the Executive Board and the chief information officer of the Group. The ICT board regularly discusses issues reported internally and externally.

Sourcing, Outsourcing and Supplier Management

The Group has effective control over sourcing, outsourcing and supplier & contract management. Specific compliance clauses, for example security, business continuity, right to audit and supervisory access or annual independent assurance, are added to high risk contracts. In 2015, cloud applications were examined to the standard DNB risk model and necessary measures were taken. To date, the Group performs a risk assessment before a new cloud computing application is allowed into operation. As the Group is exposed to supplier risk, controls are in place to review risk and performance of suppliers. This is primarily aimed at detecting and preventing vendor lock-in in business processes, but also as performance review of supplied goods of services relating to cost and quality.

Business Continuity Management

The Group aims to deliver secure and reliable services. To ensure adequate response to unusual events, the Group regularly tests its incident and crisis management procedures. Contingency and continuity plans have been prepared for all critical business operations and applications.

In 2015, the Business Continuity programme invested further in risk management, crisis management training and exercising, as well as ICT continuity testing. Continuity measures continue to be aligned with customer expectations.

Information Security

Information security ensures the delivery of secure and reliable services to the Group's customers. In 2015, the Group continued the information security programme and assessed and improved the information security maturity level as well as cyber security capabilities. The Group made important steps towards a robust cyber security defence and identified opportunities to further strengthen the security of online presence and information security risk management capabilities.

Human Resources

Recruiting, developing and retaining qualified staff is vital to the Group's business. Trainee programmes have been developed to attract young talent, and the Group is strengthening management's leadership abilities through a customised leadership programme. Employees' professional and personal development is appraised annually by management and facilitated by using performance-based management, including development programmes and professional courses. This enhances the retention of qualified staff and preserves vital knowledge and expertise for the Group.

The Human Resources Board ("HR Board") is the risk committee on human resource matters. It comprises of managing directors, two members of the Executive Board (one of which is the Chairman) and the human resources director. The HR Board regularly discusses human resources policies and risk issues.

Fraud and Crime

Fraud and other criminal activities result in operational losses. Group Integrity has defined fraud prevention measures. In addition, controls to minimise fraud risks were implemented in the context of Solvency II. The Group has taken out 'crime insurance' for major claims (over EUR 5 million) resulting from fraud.

Group Integrity prevents fraud by raising employees' awareness of fraud, by giving advice and performing fraud risks analyses (e.g. by using analytical fraud detection software), so that attempts at fraud are identified as quickly as possible and an honest portfolio is achieved. If losses are caused by fraud or other criminal activities, Group Integrity investigates them and aims to recover the loss and the cost of the investigation from the perpetrator.

Financial Reporting Risks

The Group manages its financial reporting risks through an internal control framework and external audit. Financial reporting within the Group is the outcome of a structured process carried out by various divisions, directed and supervised by the Group's financial management. The Executive Board is responsible for designing, maintaining and monitoring the controls for financial reporting.

SUPERVISION AND REGULATION

The Group is a financial services provider offering life insurance, pensions, general insurance, asset management and banking products and services with its target markets being the Netherlands and Belgium. The Company's operations and businesses are subject to a significant number of laws, regulations, administrative determinations and similar legal constraints. Such laws and regulations are generally designed to protect its policyholders and contract owners and clients, and not its Shareholders or holders of other securities of the Company. Where applicable, the Company's entities have obtained the regulatory licences and approvals needed to operate their regulated businesses. The Company applies a risk based compliance approach and aims to be compliant with applicable laws, rules and legislation in those jurisdictions. Many of the laws and regulations to which the Company is subject are regularly re-examined and existing or future laws and regulations may become more restrictive or otherwise adversely affect the Company's operations.

The following is a general overview of the regulatory laws, rules and legislation applicable to the Company from an EU perspective, and an overview of the key regulatory laws, rules and legislation applicable in the Netherlands and Belgium respectively. These laws, rules and legislation, as well as their interpretation and enforcement, are constantly changing.

General Regulatory Framework

The insurance, reinsurance, investment manager, investment firm, financial services providers, pension and bank subsidiary of the Company are subject to governmental regulation in the respective country in which they operate. The regulatory authorities in these countries are responsible for supervising the Company's compliance with applicable regulations.

The Company and its Dutch-based subsidiaries are under the supervision of various regulatory authorities including the ECB, DNB, the AFM, the Authority for Consumers and Markets ("ACM"), the Dutch Authority of Personal Data and the Dutch Healthcare Authority ("Nza").

The Group and the Company are subject to financial conglomerate supervision by DNB. Furthermore, the AFM and DNB are the direct regulators for those subsidiaries which are licenced in the Netherlands. DNB exercises prudential supervision, which is to ensure the financial soundness of financial undertakings and to contribute to the stability of the financial sector. With respect to the Company's banking subsidiary, the ECB is the indirect prudential supervisor and has several other regulatory powers (as described below). The AFM exercises market conduct supervision, which focuses on orderly and transparent financial market processes, integrity in relations between market parties and due care in the provision of services to clients.

Furthermore, the Netherlands Consumer Authority, the Netherlands Competition Authority and the Netherlands Independent Post and Telecommunications Authority joined forces on 1 April 2013 to create an independent regulator: the ACM.

The ACM can conduct investigations into competition infringements both on its own initiative or as a result of complaints or leniency requests and can take enforcement action.

The Dutch Financial Supervision Act and the General Administrative Law Act (*Algemene wet Bestuursrecht*) set out the rights and duties of the Dutch regulators for the purposes of financial regulation. The Dutch Financial Supervision Act is derived in part from EU directives and other EU legislation. This is also the case for the regulatory laws of other Member States, which means that there is a significant degree of harmonisation in financial supervision regulation and financial market liberalisation across the EU. The scope of EU legislation also includes the EEA. Therefore, references in this section to EU legislation are intended to mean that such legislation is also applicable to the EEA.

The Dutch Data Protection Act (*Wet bescherming persoonsgegevens*), together with the regulations promulgated thereunder, sets out the rights and duties of the Dutch Authority of Personal Data for the supervision of compliance with acts that regulate the use, processing and transfer of personal data. The Dutch Data Protection Act implements EU Directive 95/46/EC of 4 October 1995 on the protection of individuals with regard to the processing of personal data and the free movement of such data and imposes restrictions on the collection, use and other forms of processing of personal data.

Delta Lloyd Life Belgium is under the supervision of the NBB. See "*—Belgian Regulatory Framework*".

EU Regulatory Framework

General

Anti-money laundering and sanctions

The EU anti-money laundering regime is set out primarily in three directives: Directive 91/308/EE (commonly known as MLD1), Directive 2001/97/EC (commonly known as MLD2) and Directive 2005/60/EC (commonly known as MLD3). In short, MLD1 was aimed at combating the laundering of drugs proceeds through the traditional financial sector. The regime thus applied to a wider scope of entities and was therefore relevant for all entities active in the financial sector. Amongst other things, it required Member States to prohibit money laundering and to oblige their financial sectors to (a) identify their customers, (b) keep appropriate records, (c) establish internal anti-money laundering procedures and (d) report any indications of money laundering to the relevant financial regulator. MLD2 extended MLD1 to cover the proceeds of a wider range of criminal activities and a number of non-financial activities and professions, including lawyers, notaries, accountants, estate agents, art dealers, jewellers, auctioneers and casinos.

The aim of MLD3 was to strengthen the existing EU anti-money laundering framework. It also harmonised standards across the EU relating to money laundering and terrorist financing, introduced more high-level and risk-based requirements than MLD1 and MLD2, and extended the definition of money laundering and the scope of the regulated sector. MLD3 applied to (a) credit institutions (as defined in Article 1(1) of the Banking Consolidation Directive 2000/12/EC), (b) financial institutions (as defined in Article 3(2) of MLD3), (c) auditors, external accountants and tax advisers acting in the exercise of their professional activities, (d) notaries and other independent legal professionals acting in the course of their professional activities when they participate, whether by acting for and on behalf of their customer in any financial or real estate transaction, or by assisting in the planning or execution of certain transactions for their customer, I trust or company service providers not falling within the categories listed above, (f) estate agents, (g) all natural or legal persons trading in goods to the extent that payments are made in cash in an amount of EUR 15,000 or more, whether the transaction is executed in a single operation or in several operations which appear to be linked, and (h) casinos.

MLD3 is a minimum harmonising directive, so Member States had flexibility when transposing it into national law to adopt stricter measures than those required by MLD3. As a result, MLD3 has allowed various differences in national implementation. There are various other sources of anti-money laundering-related law at the European level, including the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of 8 November 1990; the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, 16 May 2005 and the Wire Transfer Regulation (1781/2006).

On 5 February 2013, the EC published proposals for a new directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and a new regulation on information accompanying transfers of funds to secure "due traceability" of these transfers. Both proposals are designed to strengthen the European regulatory framework on, *inter alia*, the prevention of money laundering and terrorist financing. The proposals were intended to be in line with the most recent standards of the Financial Action Task Force. In May and June 2015 the directive (2015/849) and regulation (2015/847) came into force. Member States will have until 26 June 2017 to implement the directive into national law. As of that date, the regulation will also apply.

On 1 January 2007, the regulation (1781/2006) which transposed the Financial Action Task Force Special Recommendation VII on "wire transfers" into EU legislation came into force. The regulation sets out rules on information on the payer accompanying transfers of funds, in order to allow basic information to be immediately available to the authorities responsible for combating money laundering and terrorist financing. As of 26 June 2017, this regulation will be replaced by regulation (EU) No. 2015/847 described in the previous paragraph.

EMIR

The European Market Infrastructure Regulation 648/2012 (EMIR) entered into force in all Member States on 16 August 2012. EMIR aims to increase stability in European over-the-counter (OTC) derivatives markets and includes measures to require the clearing of certain OTC derivatives contracts through central clearing counterparties and to increase the transparency of OTC derivatives transactions. Obligations under EMIR have been gradually phased in since its coming into force. It is expected that the obligation to centrally clear OTC-derivatives will be phased in starting in the second quarter of 2016. In connection with EMIR, various

ITS have now come into force. Prospective investors should be aware that the obligation to centrally clear OTC-derivatives may increase the cost for the Company and its subsidiaries to enter into OTC derivatives contracts and may adversely affect their ability to engage in OTC derivatives contracts.

Insurance and Insurance-Related Regulation

Since 1973, the European Union has adopted a series of directives on life insurance, direct insurance other than life insurance and reinsurance. These directives have been implemented in the Netherlands and the other Member States through national legislation. The primary objective of these directives has been to grant insurers the freedom to establish branches and to provide services outside their home jurisdictions in accordance with the EU basic freedoms while ensuring certain minimum standards for insurance and reinsurance regulation in Europe.

The single licence principle is a core element for giving effect to the principles of the freedom of establishment and the freedom to provide services. Provided an insurance company is licenced in one Member State, it may do business directly or through branches in any other Member State without being subject to the licensing laws of that Member State (the European passport principle). The EU legislative framework defines and coordinates the competencies of the national regulatory authorities.

The EC intended that the EU insurance directives establish a single European insurance market. These directives also provided for minimum requirements for life and general insurance companies, especially in relation to capitalisation levels. Insurance companies have to ensure that they are able to meet the obligations under their insurance contracts at any given time. They are required to maintain a level of their own funds in the amount of the solvency margin, which is based on the particular insurance company's business volume. For property/casualty insurance companies, the solvency margin is calculated by reference either to the annual collected premiums or the average amount of claims in the period of analysis, with the higher amount forming the basis of the solvency margin applicable. For life insurance companies, the solvency margin is calculated primarily on the basis of the capital-at-risk and certain technical insurance reserves. In addition to MCRs, the existing EU directives require that the directors and officers of insurance companies have the required professional qualifications and expertise.

In order to prevent risks inherent to certain lines of insurance affecting other lines of insurance, the EU insurance directives prohibit insurance companies from writing both life insurance and general insurance business, which is referred to as the principle of separation of certain insurance lines. The principle does not, however, apply to the reinsurance business. Therefore, reinsurance companies may offer both non-life and life reinsurance. EU insurance directives emphasise prudence and prohibit insurance companies from operating non-insurance businesses in order to prevent insurance companies from taking on additional risks from non-insurance activities.

Directive 2005/68/EC on reinsurance established a uniform licensing regime for reinsurance companies, with a degree of harmonisation roughly comparable to the level of harmonisation in primary insurance. Since the adoption of this directive, reinsurance companies have been licenced under the European passport principle and the competencies of national regulatory authorities over reinsurance companies have been coordinated and defined more clearly. In addition, European directives have also established uniform minimum requirements for reinsurance companies, particularly in relation to levels of capitalisation and the powers of the national regulatory authorities to intervene in the affairs of reinsurance companies.

EU insurance and reinsurance directives and regulations have led to standardised national minimum regulatory requirements for insurance and reinsurance companies. Although the Member States are permitted to exceed these minimum requirements, which they have done to varying degrees, insurance and reinsurance regulatory law is now highly harmonised throughout the EU. In 2004, the EC initiated a new reform process in order to achieve greater legal uniformity and eliminate certain drawbacks in the regulatory system, above all in relation to capitalisation calculations. These reform efforts led to the adoption of the Solvency II Directive in 2009, which has been implemented into national law. See "— *Solvency II Directive*" for an elaborate discussion of the Solvency II Directive and "*—Dutch Regulatory Framework—Insurance and Insurance-Related Regulation*" for the implementation of the Solvency II Directive in the Netherlands.

The EU insurance and reinsurance framework is mainly relevant for DLL, Delta Lloyd Schadeverzekering, ABN AMRO Levensverzekering N.V. and ABN AMRO Schadeverzekering N.V.

Solvency II Directive

The EU has adopted a full-scale revision of the solvency framework and prudential regime applicable to insurance, reinsurance companies and insurance groups, known as "Solvency II", with the aim of moving to a risk-based capital adequacy regime and to harmonise the rules throughout Europe. The framework for Solvency II is set out in the Solvency II Directive, which was adopted by the European Council on 10 November 2009 (Directive 2009/138/EC). The Directive was supplemented with the Omnibus II Directive (2014/51/EU) in 2014. The Omnibus II Directive contains provisions for long-term guarantees which have the objective of adjusting the Solvency II Directive to cope with "artificial" volatility and a low interest rate environment, and to allow for the smooth transition from the Solvency I regime to the Solvency II regime. Member States were required to adopt and publish the laws, regulations and administrative provisions necessary to comply with Solvency II by 31 March 2015 and apply the measures from 1 January 2016. See "*—Dutch Regulatory Framework—Insurance and Insurance-related Regulation*" for the application of the Solvency II Directive in the Netherlands.

On 17 January 2015, the Delegated Acts was published in the Official Journal of the European Union and became effective the following day. The European Commission has subsequently proposed amendments to the Delegated Acts, as part of its initiative to build a Capital Markets Union, which may affect the amount of capital that insurance companies are required to hold in respect of their investment in certain infrastructure projects and European Long-Term Investment Funds. In March, November and December 2015, the European Commission adopted various implementing regulations laying down ITS in relation to various aspects of Solvency II. During 2015, EIOPA also published various Solvency II Guidelines and ITS in preparation for a timely implementation of Solvency II.

Solvency II measures balance sheet assets, liabilities and risk exposures based on economic principles and applies capital requirements which relate directly to the risk exposures of a specific insurance company or group, introducing economic risk-based solvency requirements across all Member States for the first time. As a result of Solvency II, insurance companies will have to review their internal risk management governance and control environment, test existing processes and implement improvements.

While Solvency I concentrated mainly on the liabilities side (i.e. insurance risks) and included a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduces more comprehensive solvency requirements, taking into account the risks associated with supporting the insurance liabilities. The new regime is a "total balance sheet" type regime where all the insurers' material risks and their interactions are considered. In addition to the Pillar 1 quantitative requirements, Solvency II also sets Pillar 2 requirements for governance, risk management and effective supervision, and Pillar 3 disclosure and transparency requirements.

Pillar 1

Under Pillar 1 of Solvency II, insurers are required to hold capital known as "own funds" equal to or in excess of both the MCR and the higher SCR. Solvency II categorises own funds into three tiers (Tier 1, Tier 2, and Tier 3 capital) with differing qualifications as eligible available regulatory capital. Under Solvency II, the starting point for calculating own funds is the excess of assets over liabilities as derived from the Solvency II balance sheet. The Solvency II balance sheet uses IFRS balance sheet items where these are at fair value and replaces other balance sheet items using market consistent valuations. For this reason the determination of the technical provisions on the Solvency II balance sheet and the discount rate to be applied have a material impact on the amount of own funds and the volatility of the level of own funds. The SCR is a risk-based capital requirement which will be determined using either a SF (set out in level 2 implementing measures), or, where approved by the relevant supervisory authority, an internal model. The internal model can be used in combination with, or as an alternative to, the SF as a basis for the calculation of an insurer's SCR. Such a model must be approved in the Netherlands by DNB and in Belgium by the NBB. In the Group's case, as it operates in both countries, the supervising authorities will cooperate to consider such approval and may consult with EIOPA in this regard. DNB will ultimately decide on the approval of the model on behalf of the supervising authorities and such decision is binding on all supervising authorities. For more information on the Tier 1, 2 and 3 criteria and regulatory capital requirements, see *Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*."

In May 2015, the Group applied to DNB, as its group supervisor, to use an internal model for its insurance entities in the Netherlands and Belgium. During the application process, the Group changed the application from a full internal model to determine its regulatory capital into a partial internal model as the Group will report operational risk based on the SF set out in Solvency II. The Group has been using its own methodology to calculate economic capital for internal purposes for a number of years. While the Group's internal model provides helpful visibility and the Group considers it to be an important cornerstone of its risk management framework, the Group nonetheless concluded that for Solvency II purposes it would utilise the SF to calculate its SCR. As the Group believes that a partial internal model better reflects the risks than the SF, it will continue to update and test the partial internal model. The Group has received a letter from DNB stating that the College of Supervisors expects the Group to apply for the partial internal model and that progress needs to be made on the application of the partial internal model before 1 January 2017, or it may impose capital add-ons or other measures. Following satisfactory test results and in consultation with the College of Supervisors, the Group has filed plans with DNB and plans to implement the partial internal model by 1 January 2018. See "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements—Solvency II*".

Pillar 2

Solvency II lays down strict requirements that insurers (including the Company) have to adhere to, including requirements to:

- have effective governance systems in place, proportionate to their business;
- meet specific requirements regarding risk management, internal controls, data quality controls, internal audit functions, internal actuarial functions and control over outsourcing arrangements;
- integrate effective risk management systems, including strategies, processes and reporting procedures, in order to monitor, manage and report risk exposures;
- act in conformity with the so-called prudent person rule when taking investment decisions regarding the insurer's funds;
- conduct an ORSA on a regular basis; and
- be effectively supervised by the National Competent Authorities ("NCAs").

The Company has worked on the required governance, IT systems, processes and control framework. In addition, the Company continues to carry out an annual ORSA and updates the Company's risk profile every quarter. In July 2015, the Company submitted its latest ORSA report to DNB. In preparation for the Solvency II regime, in 2014 and 2015 the ORSA report served as the Forward Looking Assessment of Own Risks, as required under the preparatory guidelines set out by EIOPA. The Company updated, approved and tested policies as part of the annual cycle.

Pillar 3

Solvency II lays down extensive and frequent requirements to report to supervisory authorities, and additional external reporting requirements.

Prior to the application of Solvency II as of 1 January 2016, Dutch insurance groups submitted their 2014 annual report and quarterly reports in 2015 to DNB. The Company is preparing to generate the Regular Supervisory Report ("RSR") and the Solvency and Financial Conditions Report ("SFCR") which it is required to file in 2016, per year-end 2016 reporting.

Risk of non-compliance

Should the Company not be able to adequately comply with the Solvency II requirements in relation to capital, risk management, documentation, or reporting processes, this could have a material adverse effect on its business, results of operations and financial condition.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is a risk of differences in interpretation and a risk of a failure by financial services regulators to align Solvency II approaches across Europe, resulting in an unequal competitive landscape. This risk may be exacerbated by discretionary powers afforded to financial services regulators in Member States. Moreover, Solvency II includes transitional provisions that allow companies to continue to value assets and liabilities under the pre-Solvency II valuation rules. At present pre-Solvency II valuation rules in many countries are less onerous and significantly less affected by market volatility than is (or will be) the case under the Solvency II valuation requirements. This is not the case for the Netherlands, where the current legislative framework requires the valuation of insurance liabilities at lower discount rates than under Solvency II and creates higher volatility.

Insurance Distribution Directive (formerly the Insurance Mediation Directive)

The EU Directive 2002/92/EC on insurance mediation ("IMD") regulates the point of sale of insurance products to ensure the rights of the consumer. The IMD is a minimum harmonisation instrument containing high level principles and has been implemented in each Member State in substantially different ways. During discussions in the European Parliament on Solvency II a specific request was made to review the IMD to improve policyholder protection in the aftermath of the financial crisis and to improve selling practices for different insurance products.

On 3 July 2012, the European Commission published proposals for a revision of the Insurance Mediation Directive ("IMD2"), later renamed the Insurance Distribution Directive ("IDD"). On 22 July 2015, the Council and the European Parliament reached an agreement on the proposal for the IDD. On 24 November 2015, IMD2/the IDD was adopted by the European Parliament. On 14 December 2015, the Council also adopted the proposal. The IDD has been published in the Official Journal of the EU on 2 February 2016 and will come into force on 22 February 2016. Member States will have to transpose the IDD into national laws and regulations before 23 February 2018. Under the IDD, consumers and retail investors buying insurance products would benefit from:

- Greater transparency: insurance distributors will have to become more transparent about the price and the costs of their products, so that it is clear to consumers what they are paying for. Most importantly, the consumer should know whether the seller of an insurance product has an own economic incentive to sell that particular product.
- Better and more comprehensible information: consumers should be able to take more informed decisions, with a simple standardised Product Information Document for general insurance products. This completes already existing consumer information documents for life insurance products (under the Solvency II Directive) and for investment products (under the PRIIPS Regulation).
- Optional insurance: where insurance products are offered in a package with another good or service, consumers will have the choice to buy the main good or service without the insurance policy.
- Additional requirements: rules on transparency and business conduct should prevent consumers from buying products that do not meet their needs.

European insurance regulatory authorities

Insurance companies are not yet directly regulated by EU regulatory authorities. However, as part of efforts to prevent future financial crises, the EU and national bodies have taken a number of steps to transfer certain powers to the EU level. A European System of Financial Supervision ("ESFS") commenced operations at the beginning of 2011. The most important component of the ESFS are ESAs. As of 1 January 2011, EIOPA replaced the former Committee of European Insurance and Occupational Pensions Supervisors. EIOPA's main responsibility is to develop technical regulatory and enforcement standards and recommendations and to formulate guidelines for coordinating national insurance regulatory authorities. Technical regulatory and enforcement standards are adopted as delegated legal acts within the meaning of Article 290 TFEU and as enforcement acts within the meaning of Article 291 TFEU. Once the EC approves these standards, they were legally binding and, thus EIOPA can directly impose obligations on insurance companies in the EU. Within the course of the final approval process, the EC is only authorised to deviate from the EIOPA proposals under limited circumstances.

EIOPA recommendations and guidelines are not directly binding on insurance companies but the national regulatory authorities are required to provide reasons for any deviations from the EIOPA supervisory practices under the "comply or explain" principle. In exceptional circumstances, such as continued legal breaches by national authorities, crisis situations or disputes between national authorities, EIOPA may issue instructions to national authorities and take direct action itself by issuing binding decisions on insurance companies if the national authorities fail to comply. The Company ensures that it complies with EIOPA recommendations and guidance. The Company's internal audit department monitors this and the Company has implemented a programme to support compliance with EIOPA recommendations and guidance.

ComFrame

On 18 October 2013, the International Association of Insurance Supervisors ("IAIS") released the 2013 draft of the Common Framework for the Supervision of Internationally Active Insurance Groups ("ComFrame") for public consultation. ComFrame has three main objectives: (a) the development of methods of operating group-wide supervision of internationally active insurance groups ("IAIGs"), (b) the establishment of a comprehensive framework for supervisors to address group-wide activities and risks, and (c) the fostering of global convergence. In October 2013, the IAIS also announced its agreement to develop a risk-based global insurance capital standard within ComFrame. The release for public consultation is the next step in its three-year development phase. Finalisation is not expected until 2018.

Systematically important financial institutions

As the recent global financial crisis unfolded, the international community moved to protect the global financial system through preventing the failure of systematically important financial institutions ("SIFIs") or, if one does fail, limiting the adverse effects of its failure. In November 2011, the Financial Stability Board published a list of global SIFIs ("GSIFIs"). Subsequently, in July 2013, the Financial Stability Board designated nine global insurance companies as global systematically important insurers ("G-SIIs"). This list was updated in 2014 and 2015. As a result, these firms will be subject to enhanced supervision and increased regulatory requirements in the areas of recovery and resolution planning as well as capital. The implementation deadlines for these requirements started as early as July 2014 and, in the case of additional capital requirements, extend to 2019. On 3 November, a revised list of nine G-SIIs was published. Although the Company is not included in the most recent list, it cannot be ruled out that this supervision and regulation will be expanded to include the Company in the future.

EU unisex rule

In March 2011, the European Court of Justice ruled that insurers in Europe cannot differentiate in price or benefits for the same insurance products, based on gender. This gender-neutral pricing, commonly called the unisex rule, states that as of 21 December 2012 life insurers must offer products that are identical for men and women.

Insurance guarantee schemes

Currently, certain jurisdictions in which the Company's insurance subsidiaries operate require that life insurers doing business within the jurisdiction participate in guarantee associations, which raise funds to pay contractual benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers. The occurrence of such a guarantee event may give rise to an obligation on the relevant insurance subsidiary to pay significant amounts under the guarantee. In 2010, the EC published a white paper discussing the necessity of Insurance Guarantee Schemes. However, at the date of this Prospectus, no proposals for this directive have been published.

Investment management-related regulation

In the area of funds and investment management, the EU has enacted three main bodies of legislation: the UCITS Directives, the AIFMD and MiFID (II). Rules that apply here are relevant for the investment management business of the Company that operate in the EU. Discussed below are only the most relevant recent developments. Nevertheless, other European legislation, such as Solvency II and non-European legislation, such as US tax rules commonly referred to as "FATCA" and Securities and Exchange Commission rules, also have an impact on the investment management business that should be taken into account.

The EU framework in respect of investment management is mainly relevant for DLL, Delta Lloyd Schadeverzekering, ABN AMRO Levensverzekering N.V., ABN AMRO Schadeverzekering N.V., Delta Lloyd Bank Netherlands, BeFrank N.V., BeFrank PPI N.V. and DLAM.

UCITS

With regard to UCITS, the original 1985 UCITS Directive was amended by two 2001 EU Directives (commonly known as UCITS III) and one 2009 EU Directive ("UCITS IV"). UCITS III introduced provisions regulating the types of assets in which a UCITS may invest and gave UCITS management companies the possibility to use a "European passport" to operate throughout the EU. UCITS IV was approved as Directive 2009/65/EC and Member States needed to transpose the framework into national law by 1 July 2011. The UCITS IV Directive updated the existing regime by introducing substantial changes, the most important of which were (a) the simplification of the notification procedure for UCITS that wish to market their units in another Member

State, (b) a requirement to publish the so-called "key investor information document", (c) the introduction of a framework for mergers between UCITS, and (d) regulation of master-feeder structures. On 23 July 2014 UCITS V was adopted regarding depositary functions, remuneration policies and sanctions. This Directive introduces new rules on UCITS depositaries, such as the entities eligible to assume this role, their tasks, delegation arrangements and the depositaries' liability as well as general remuneration principles that apply to fund managers. Member States must adopt and publish the laws, regulations and administrative provisions necessary to comply with UCITS V by 18 March 2016.

AIFMD

The Alternative Investment Fund Management Directive ("AIFMD") (2011/61/EU) is a directive in respect of the regulation and supervision of the alternative investment fund management industry. The AIFMD lays down the rules for the authorisation, ongoing operation and transparency of fund managers that manage and market alternative investment funds ("AIFs") in the EU. The AIFMD entered into force on 21 July 2011 and Member States in principle needed to transpose the framework into national law by 22 July 2013 (a transitional period applied until 22 July 2014). Licenced AIFMs are subject to detailed rules on delegation, transparency, conduct of business, remuneration, leverage and reporting. Additionally, licenced AIFMs are required to appoint an independent custodian for each AIF that they manage and have independent risk management and valuation functions. Similarly to the UCITS regime, AIFMs authorised under the AIFMD are granted the possibility to passport their licence to either manage AIFs in other Member States or market units or shares in AIFs to professional investors. In short, the AIFMD created a uniform regulatory system for the EU for managers of alternative investment funds that do not constitute UCITS.

MiFID I and II

Another important piece of legislation in this area is the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"), which is implemented in European legislation. MiFID regulates, *inter alia*, the cross-border provision of investment services and regulated markets and replaces the 1993 EU Investment Services Directive which established the single passport for investment firms. MiFID provides a harmonised regime for investment services and aims to increase competition and reinforce investor protection. It streamlines supervision on the basis of home country control and enhances the transparency of markets. It harmonises conduct of business rules, including best execution, conflict of interest and customer order handling rules. MiFID abolishes the concentration rule, creating a more competitive regime between order execution venues. It also imposes market transparency rules for investment firms, regulated markets and multilateral trading systems for both pre- and post-trading of equities.

MiFID also has consequences for Intermediaries in financial products. It envisages, *inter alia*, a way to harmonise regulation in respect of commission payments and remuneration transparency. MiFID prescribes inducement rules which should lead to appropriate commissions. These rules are intended to better protect customers if they wish to purchase certain financial products, such as "complex" structured products and mortgage loans because there might be a risk of reward-driven advice issued by Intermediaries since Intermediaries are often paid by the provider of the financial product.

On 20 October 2011, the EC published proposals for the revision of MiFID. The new rules consist of a directive, MiFID II (2014/65/EU), and a regulation, MiFIR (No 600/2014), and aim to make financial markets more efficient, resilient and transparent, and to strengthen the protection of investors. The new framework will also increase the supervisory powers of regulators and provide clear operating rules for all trading activities. The final texts of these new rules have been published on 12 June 2014. Save for certain provisions, the implementation of MiFID II and MiFIR and its implementing measures are to be applicable from 3 January 2017, however, the European Parliament is currently considering a one-year extension of the implementation period.

Key elements of the new rules are:

- More robust and efficient market structures: MiFID II will introduce a new type of trading venue: the Organised Trading Facility ("OTF"). Furthermore, in order to facilitate better access to capital markets for SMEs, the new rules will also introduce the creation of a specific label for SME markets.
- Taking account of technological innovations: MiFID II will introduce new safeguards for algorithmic and high-frequency trading activities, which have both drastically increased the speed of trading and pose possible systemic risks. Also, the new rules will improve conditions for competition in essential post-trade services such as clearing.

- Reinforced supervisory powers and a stricter framework for commodity derivatives markets: the new rules will reinforce the role and powers of regulators. In coordination with ESMA and under defined circumstances, supervisors will be able to ban specific products, services or practices in case of threats to investor protection, financial stability or the orderly functioning of markets.
- Stronger investor protection: building on a comprehensive set of rules already in place, MiFID II sets stricter requirements for portfolio management, investment advice and the offering of complex financial products such as structured products. In order to prevent potential conflicts of interest, independent advisers and portfolio managers will be prohibited from making or receiving third-party payments or other monetary gains.

Finally, rules on corporate governance are introduced for all investment firms.

PRIIPS

On 15 April 2014, the Regulation (no 1286/2014) on Key Information Documents for packaged retail and insurance-based investment products (PRIIPs) was adopted. The PRIIPs Regulation aims to increase the transparency on the market for retail investments in different types of investment products. With respect to these investment products the Key Information Document (KID) is introduced. The KID is a standardised and simple document giving key facts on the investment product. The PRIIP manufacturer will draw up the KID. The KID will be provided to retail clients when they are considering buying a PRIIP. On 29 December 2014, the PRIIPs Regulation has entered in force. The PRIIPs Regulation will be directly applicable in Member States from 29 December 2016.

Banking and Banking-Related Regulation

The EU Financial Services Action Plan 1999-2005 laid the foundations for a single financial market in the European Union and has brought about many changes. In its Strategy on Financial Services for 2005-2010, the European Commission set out its objectives to achieve an integrated and competitive EU financial market. It proposed doing so by removing remaining barriers, especially in the retail area so that financial services can be provided and capital can circulate freely throughout the European Union at the lowest possible cost, resulting in high levels of financial stability, consumer benefits and consumer protection. The financial services sector includes three major areas for which EU regulatory policies apply: banking, capital markets and asset management.

The Recast Banking Directive sets out rules concerning the taking up and pursuit of the business of credit institutions and their prudential supervision. Under this directive, a bank was able to offer banking services in all Member States on the basis of a single banking licence (“European passport”) through the establishment of a branch or cross-border provision of services in all Member States.

The Recast Banking Directive was the first part of the new capital requirements framework, which was adopted in June 2006 as the EU Capital Requirements Directive (CRD); the second part was the EU Recast Capital Adequacy Directive 2006/49/EC. The CRD was the legal vehicle pursuant to which the Basel II framework had been implemented into EU law. The directives set out the capital adequacy requirements that apply to investment firms and credit institutions.

In October 2008, the European Commission adopted proposals to amend the CRD in view of the financial crisis. Proposals addressed items such as large exposures, supervisory arrangements and crisis management and securitisation (Directive 2009/111/EC).

On 20 July 2011, a legislative package was adopted by the EC replacing the CRD (directives 2006/48/EC and 2006/49/EC) with a directive (2013/36/EC, CRD IV) and a regulation (EU No. 575/2013, CRR). This CRD IV framework, which transposes, amongst others, the new global Basel III standards regarding bank capital requirements into EU legislation, entered into force in July 2013 and as a single rulebook it forms an important part of the so-called European banking union. CRD IV had to be implemented from January 2014. It aims to tackle some of the vulnerabilities shown by the banking institutions during the crisis, including insufficient levels of capital, both in quantity and in quality, resulting in the need for unprecedented support from national authorities. The CRD IV framework sets stronger prudential requirements for banks and investment firms, requiring them to keep sufficient capital reserves and liquidity. CRD IV intends to make EU banks and investment firms stronger and will strengthen their capacity to adequately manage the risks linked to their activities, and absorb any losses they may incur in doing business.

Currently, the Basel Committee on Banking Supervision is reviewing the Basel III framework and publishing consultation papers for a new ‘Basel IV’ framework. Part of these consultations is new risk-weights for mortgage loans. If the Basel Committee on Banking Supervision decides to adopt the Basel IV framework, it is expected that the current European CRD IV framework will have to be amended.

Following further ambitions on harmonisation of the European supervisory framework, the CRD IV framework is further clarified by the European Banking Authority (“EBA”), which regularly publishes draft binding technical standards to be adopted by the EC. These binding technical standards have the meaning of European level two regulations after adoption by the EC and subsequent formal procedures. In addition, EBA is empowered to investigate and research the application of the CRD IV framework in many specific areas.

The EU framework in respect of banking legislation is mainly relevant to Delta Lloyd Bank Netherlands, but also has implications for the Group.

Deposit guarantee schemes

The European Commission also adopted a proposal for amendments to the EU Deposit Guarantee Schemes Directive. The resulting EU Directive 2009/14/EC provided for an increased minimum coverage level for depositors from EUR 20,000 to EUR 50,000 with a further increase to EUR 100,000 from 31 December 2010; and (ii) a reduction in the pay-out delay. In October 2013, the EU restarted discussions on a renewal of the EU Deposit Guarantee Schemes Directive. On 16 April 2014 the recast directive on deposit guarantee schemes was adopted (2014/49/EU). The majority of the recast directive needed to be implemented in national legislation by 3 July 2015. The updated deposit guarantee scheme obliges EU countries to set up their own bank financed schemes to reimburse guaranteed deposits up to EUR 100,000 when a struggling bank is not able to do so itself. This will ensure that taxpayers will not have to bear the costs of guaranteeing such deposits. Furthermore, the total amount of the guaranteed deposit of the depositors would be available within seven working days and a subsistence amount (decided country by country) within five days. The implementation deadline of the recast directive has not been met in the Netherlands. The legislation implementing the recast directive entered into force on 26 November 2015. See “*—Dutch Regulatory Framework—Banking and Banking-Related Regulation—Deposit guarantee scheme*”.

On 24 November 2015, the Commission proposed a euro-area wide insurance scheme for bank deposits. It is not yet clear whether and if so, when, this will come into effect.

European Banking Union

One of the EU’s responses to the financial crisis was to establish two new institutions, which are, in addition to the single rule book, the key elements of the banking union. The first key element is the Single Supervisory Mechanism (“SSM”), which assigns the role of banking supervisor in the euro zone to the ECB in order to ensure that the largest banks in the euro zone are independently supervised under common rules. The second key element is the Single Resolution Mechanism (“SRM”), which is responsible for planning for worst-case scenarios, namely the failure of a bank, to ensure that the situation can be resolved in an orderly manner with minimal costs for taxpayers. The will to spare taxpayers from the cost of future bank resolutions led to the introduction of the Bank Recovery and Resolution Directive (“BRRD”), according to which resolutions will mainly be financed by banks’ shareholders and creditors. Where necessary, financing can also be provided, on a complementary basis, by the newly established Single Resolution Fund (“SRF”), which is financed by the banking industry. The SSM has been in operation since November 2014, while the SRM became operational in January 2016. The SRF should reach its target funding level in 2023 (to amount to 1 per cent of the protected deposits of all banks within the Banking Union). Members of the euro area are automatically part of the Banking Union, while other Member States may opt in.

Since 4 November 2014, the ECB is responsible for the direct supervision of ‘significant’ banks in the euro zone, while national competent authorities, such as DNB, continue to supervise all other banks, under the ultimate responsibility of the ECB. The criteria for determining whether banks are considered significant are set out in the SSM Regulation (No 1024/2013) and the SSM Framework Regulation (No 469/2014), and relate to a bank’s size, economic importance, cross-border activities and need for direct public support. In line with the development of these criteria, the actual number of banks directly supervised by the ECB can therefore change over time; the ECB can furthermore decide at any time to classify a bank as significant to ensure that high supervisory standards are consistently applied.

The BRRD and the Single Resolution Mechanism Regulation ("SRM Regulation") provide for the European framework for the recovery and resolution of (amongst others) ailing banks, certain investment firms and their holding companies.

The BRRD was adopted on 15 May 2014 and the SRM Regulation was adopted on 15 July 2014. In the Netherlands, the BRRD implementation act (including the bail-in tool) entered into force on 26 November 2015. The BRRD and SRM Regulation cover the Group's banking business and asset management firm. It sets out a set of tools available to competent authorities to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of the institution's failure on the economy and financial system. The most important elements are recovery and resolution planning, early intervention, the bail-in tool and the set-up of resolution arrangements.

Delta Lloyd Bank Netherlands, as a bank established in a Member State participating in the SSM, the Company, as Delta Lloyd Bank Netherlands' parent undertaking, and BeFrank N.V., as an investment firm which is a subsidiary of the Company, will primarily be subject to the SRM under the SRM Regulation. The BRRD, however, as implemented in Netherlands law, in addition provides for certain early intervention measures and for the powers of the competent resolution authority necessary to implement the decisions taken pursuant to the SRM Regulation. Although the SRM Regulation provides for the establishment of a European single resolution board (consisting of representatives of the ECB, the European Commission and the relevant national authorities) to be responsible for the effective and consistent functioning of the SRM (including the implementation of any resolution decisions), the Company, BeFrank N.V. and Delta Lloyd Bank Netherlands, because it is a bank subject to the indirect supervision of the ECB, will in principle fall under the competency of the national resolution authority (in the Netherlands: DNB). In other words, DNB will in principle be responsible for setting the level of the minimum requirement for own funds and eligible liabilities ("MREL"), writing down or converting relevant capital instruments, adopting resolution decisions and applying resolution tools, such as balance sheet restrictions (such as the limiting of asset encumbrance) and the bail-in tool, in accordance with the resolution principles and in order to meet the resolution objectives.

The early intervention measures that may be imposed by DNB in respect of the Company, Delta Lloyd Bank Netherlands and BeFrank N.V. in the event its financial condition is deteriorating could pertain to, among other things, a change of its legal or operational structure, the removal of (individuals within) senior management or the management body and the appointment of a temporary administrator to work together or replace such (individual within) senior management or management body. DNB may also under certain circumstances decide to write down or convert relevant capital instruments, including Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments, in a certain order. If the Company, Delta Lloyd Bank Netherlands or BeFrank N.V. would be failing or is likely to fail and the other resolution conditions would also be met, DNB may decide to place the Company, Delta Lloyd Bank Netherlands or BeFrank N.V. under resolution. As part of the resolution scheme to be adopted, DNB may decide to apply certain resolution tools and exercise its powers pursuant to the implemented BRRD in order to give effect to such resolution tools. The resolution tools under the single resolution mechanism include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in short, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party.

In addition, when the Company, Delta Lloyd Bank Netherlands or BeFrank N.V. is under resolution, DNB may apply the bail-in tool. The bail-in tool enables DNB, if certain conditions are met, to write down, in whole or in part, some or all of the eligible liabilities of a failing institution or to convert them into shares or other instruments of ownership. Certain liabilities are excluded from the scope of the bail-in tool such as covered deposits, secured liabilities including covered bonds and similarly secured liabilities, employee salary and benefit or other fixed remuneration and liabilities to deposit guarantee schemes arising from contributions due under Deposit Guarantee Schemes (Directive 94/19/EC). Eligible liabilities are liabilities that are not excluded from the scope of the bail-in tool. In exceptional circumstances a competent authority may exclude, in whole or in part, certain liabilities from the application of the write-down and conversion powers.

With respect to liabilities which are governed by the law of an EU Member State and which are not excluded from bail-in, the application of bail-in will be effective by operation of law. Institutions covered by the BRRD may, however, also incur liabilities that are governed by the law of a country outside the EU. Institutions are required to include a bail-in clause in agreements which create liabilities governed by the law of a non-EU member state that are eligible for bail-in. Such bail-in clause must provide that the institution's counterparty agrees with the application and consequences of bail-in.

Furthermore institutions will be required to meet a minimum requirement for own funds and eligible liabilities (MREL) capable of being bailed in, before access can be granted to a resolution fund. Under certain circumstances, the resolution fund may make a payment to contribute to cover any losses not absorbed by eligible liabilities or to purchase shares in the institution in order to recapitalise it.

Financial Conglomerates Regime

The Financial Conglomerates Directive (2002/87/EC) aims at the supplementary supervision of regulated entities that form part of a financial conglomerate. Financial conglomerates are groups with licences in both the banking and the insurance sector. The Company qualifies as such a financial conglomerate and thus the financial conglomerates' regulatory requirements apply to it. The Financial Conglomerates Directive focuses on potential risks of double gearing (multiple use of capital) and on "group risks" (the risks of contagion, management complexity, risk concentration, and conflicts of interest).

In August 2010, the EC proposed to amend the existing rules on the supervision of financial conglomerates. In December 2011, these rules entered into force by way of the Directive regarding the supplementary supervision of financial entities in a financial conglomerate (2011/89/EU, "Fico I"). Fico I further strengthened the supervision on financial conglomerates, mainly by better aligning the various forms of group supervision. Fico I was partially implemented and applicable in the Netherlands on 1 January 2014. The remainder of Fico I entered into force on 1 January 2016.

Mortgage Credit Directive

On 4 February 2014 the Mortgage Credit Directive (2014/17/EU, "MCD") on credit agreements for consumers relating to residential immovable property was adopted. The MCD aims to create a European Union mortgage credit market with a high level of consumer protection. The MCD applies to both secured credit and home loans. The main provisions include among others consumer information requirements, principle based rules and standards for the performance of services (e.g. conduct of business obligations, competence and knowledge requirements for staff), a consumer creditworthiness assessment obligation, provisions on early repayment and a passport for credit intermediaries who meet the admission requirements in their home Member State. Many of these market conduct provisions already apply to mortgage credit providers in the Netherlands, but not all. Member states are required to have implemented the MCD in their national legislation no later than 21 March 2016. On 23 September 2015, the legislative proposal implementing the MCD into Dutch legislation was introduced in the Dutch parliament.

Dutch Regulatory Framework

General

The Dutch insurance, banking, pension, investment firm, financial services provider and investment management subsidiaries of the Company are supervised by DNB and the AFM. As mentioned earlier, the ECB is the direct prudential supervisor of significant banks, and indirect prudential supervisor of other banks.

The regulatory system in the Netherlands is a comprehensive system based on the provisions of the Dutch Financial Supervision Act which came into effect on 1 January 2007. The Dutch Financial Supervision Act sets out rules regarding conduct of business supervision (exercised by the AFM) and prudential supervision (exercised by DNB). Conduct of business supervision focuses on ensuring orderly and transparent financial market processes, proper relationships between market participants and the exercise of due care by financial enterprises in dealing with customers. For this purpose, it is necessary to create market conditions where supply and demand can be brought together (orderliness) and to ensure that market participants have access to information needed to make decisions (transparency). For an efficient financial market it is also necessary to have rules that govern the transactions between participants in the market and help to achieve market equilibrium (proper relations between market participants). To achieve this, the AFM's conduct of business supervision intends to realise that financial enterprises treat their customers with due care, in order to minimise the potential information gap between providers of financial services and products and their customers. In case of breach of conduct of business rules of the Dutch Financial Supervision Act, the AFM may, *inter alia*, issue instructions (*aanwijzingen geven*), impose fines and make public information on imposed sanctions and the context thereof.

The ECB's and DNB's prudential supervision are to ensure the financial soundness of financial undertakings and contributes to the stability of the financial sector. In order to do so, it protects the interests of bank creditors, policyholders, investors and financial services customers of financial enterprises. It is naturally in the interests of customers of financial enterprises to be able to rely on the fact that the financial enterprises will fulfil their obligations. Prudential supervision comprises solvency and liquidity supervision designed to check that financial enterprises can always meet their payment obligations. The supervision aims to reduce the risk of bankruptcy, although this risk can never be entirely excluded in a market economy. Prudential supervision also includes supervision of the scope and composition of the technical provisions of insurers for performance of their insurance obligations. In case of breach of conduct of business rules of the Dutch Financial Supervision Act, DNB may, *inter alia*, issue directions (*aanwijzingen geven*), impose fines and make information on imposed sanctions and the context thereof, public.

Supervision of financial groups

The Dutch Financial Supervision Act contains specific provisions concerning the prudential supervision of financial groups. These provisions deal with: (a) the consolidated supervision of credit institutions and investment firms; (b) the supervision of life insurance companies, general insurance companies and reinsurance companies in an insurance group; and (c) the supervision of financial conglomerates, in order to enable DNB to form a correct picture of the financial soundness of the Group, so as to ensure, *inter alia*, that a group's solvency is not presented in an excessively favourable light.

The Group itself is supervised as a financial conglomerate of licenced banks, investment firms and insurance companies. It is therefore subject to prudential supervision which DNB exercises on a consolidated level in the Netherlands. See "*—EU Regulatory Framework—Financial Conglomerates Regime*".

Oath

The Dutch government has introduced a mandatory oath for executive and supervisory board members of financial institutions licenced in the Netherlands, effective as of 1 January 2013. The Executive Board and Supervisory Board members of financial undertakings that are licenced in the Netherlands must take this mandatory oath. In this oath, Executive and Supervisory board members declare that they will: (a) perform their duties with integrity and care, (b) carefully consider all the interests involved in the financial institution, i.e. those of the customers, the Shareholders, the employees and the society in which it operates, (c) in doing so, give paramount importance to the customer's interests and inform the customer to the best of their ability, (d) comply with the laws, regulations and codes of conduct applicable to them, I observe confidentiality in respect of matters entrusted to them, (f) not abuse their knowledge, (g) act in an open and assessable manner and know their responsibility towards society, and (h) endeavour to maintain and promote confidence in the financial sector. If they break the oath, the supervisory authority (DNB/the AFM) can decide to reassess their suitability.

With respect to insurance companies, apart from the Executive and Supervisory Board members, persons with a management position directly below the executive board that are responsible for persons that may have a significant influence on the risk profile of the insurance company, are also subject to the oath. Certain other employees are also required to take the oath. This includes persons that may (independently) significantly influence the risk profile of the undertaking as well as those persons that are or can be involved in the provision of financial services. This latter requirement also applies to those persons working for an investment firm or investment fund manager. Within the Group, all employees are subject to the oath irrespective of their position within the Group.

For Dutch-based banks, such as Delta Lloyd Bank Netherlands, all persons working under the responsibility of the bank need to take a similar 'bankers' oath as from 2015. In addition, persons having taken the 'bankers' oath are thereby subject to disciplinary rules (*tuchtrecht*).

Please refer to "*Corporate Governance*" for a description of the Dutch Banking Code, Governance Principles (The Dutch Insurers' Code) and Code of Conduct for Insurers.

Dutch Intervention Act

In June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) came into force in the Netherlands, with retroactive effect from 20 January 2012. The Dutch Intervention Act allowed Dutch authorities to take certain actions when banks and insurers fail and cannot be wound up under ordinary insolvency rules due to concerns regarding the stability of the overall financial system. The Dutch Intervention Act has been amended as a result of the implementation of the Bank Recovery and Resolution Directive into Dutch legislation. The BRRD implementation act entered into force on 26 November 2015.

The rules apply to the Netherlands-regulated insurance company subsidiaries of the Company and, to a more limited extent, the bank subsidiary of the Company. The Intervention Act comprises two categories of measures. The first category of measures can be applied if an insurance company experiences serious financial problems and includes measures related to the timely and efficient liquidation of failing insurers and gives DNB far-reaching authority to intervene. DNB has the power to transfer assets and liabilities and issued shares of an entity to third parties or to a bridge insurance company if DNB deems that, in respect of the relevant insurer, there are signs of an adverse development with respect to its funds, solvency, liquidity or technical provisions and it can be reasonably foreseen that such development will not be sufficiently reversed in a timely fashion (the "transfer-tool"). DNB would also be granted the power to influence the internal decision-making of failing institutions.

The second category of measures can be applied if the stability of the financial system is in serious and immediate danger as a result of the situation of a bank or insurance company and includes measures intended to safeguard the stability of the financial system as a whole. This set of measures grants authority to the Minister of Finance to take immediate measures or proceed to expropriation of assets or securities such as shares and debt obligations issued by the failing institution or its parent company. These rules not only apply to the Netherlands-regulated insurance company subsidiaries of the Company, but also to the bank subsidiary of the Company.

The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as, for instance, contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act or by a circumstance which is the consequence of such intervention.

The Dutch Intervention Act will be amended with the Financial Markets (Amendment) Act 2016 (*Wijzigingswet financiële markten 2016*). Pursuant to the Amendment Act, DNB will also have the possibility to use the transfer tool in respect of the parent company of an insurance company. In addition, the Minister of Finance will have the right to directly expropriate claims (*vorderingsrechten*) of third parties in respect of the troubled institution. It is expected that the act will enter into force on 1 April 2016.

General duty of care

A general duty of care has been introduced in the Netherlands in January 2014 for all financial service providers, such as insurance companies and insurance intermediaries. The general duty of care entails that a financial service provider must take the legitimate interests of a consumer or a beneficiary into account in a careful manner. In addition, a financial service provider providing advice must act in the interest of the consumer or beneficiary. The AFM can only issue an instruction within the meaning of Section 1:75 of the Dutch Financial Supervision Act in the case of obvious abuses that can damage the trust in the financial service provider or the financial markets.

Commission payment rules

On 1 January 2013, the commission payment rules for complex (non-MiFID) products were amended in the Netherlands by the introduction of a complete ban on third-party commission payments. The ban means that financial service providers (e.g. insurance intermediaries with regard to life insurances) are no longer allowed to receive commission payments for acting as an intermediary or adviser in respect of certain products. The ban only applies to contracts that were entered into on or after 1 January 2013. A different commission regime applies to general insurance.

In addition to this ban, a ban on third-party commission payments for investment firms was introduced on 1 January 2014. The ban applies to the investment services (individual) asset management, investment advice and execution-only services of the Company. The ban is limited to investment services to non-professional clients. With respect to the provision of other investment services, the inducement norm as set out in the MiFID applies.

Remuneration

<u>Variable pay constraints</u>

As from 2011, credit institutions and investment firms based in Member States had to comply with variable pay constraints following from CRD III (2010/76/EC) and the Guidelines on Remuneration Policies and

Practices of the Committee of European Banking Supervisors (currently, the EBA) of 10 December 2010. These variable pay constraints are applicable to all operations of credit institutions and investment firms based in Member States (including their operations outside the EU). DNB implemented these variable pay constraints in the Regulation of DNB of 16 December 2010 on Sound Remuneration Policies pursuant to the Dutch Financial Supervision Act (*Regeling Beheerst beloningsbeleid Wft 2011*, "Rbb 2011") and extended the scope to include also Dutch-based insurance companies and their group companies. With the introduction of the CRD IV framework, the Rbb 2011 was replaced by the *Regeling Beheerst beloningsbeleid Wft 2014* ("Rbb 2014") from 1 August 2014. The variable pay constraints laid down in the Rbb 2014 apply to the insurance, bank and investment management activities of the Company.

As of 1 January 2014, additional pay constraints pursuant to CRD IV, including a bonus cap of 100% of fixed pay (or 200% if shareholders approve), came into force, subject to the implementation in Dutch legislation. In principle, the CRD IV bonus cap does not apply to Dutch-based insurance companies.

On 7 February 2015, a new act on remuneration policies within the financial sector (*Wet beloningsbeleid financiële ondernemingen*), which is applicable to among others Dutch-based banks, insurance companies, investment firms and the group companies of those entities as well as investment fund managers, entered into force. The legislation introduced a cap for variable remuneration of 20% of fixed remuneration, subject to some exceptions (the 20% cap, for example, does not apply to investment fund managers). In addition, the legislation covers a number of other topics, such as strict conditions on severance pay, prohibition on guaranteed bonuses and claw-back of variable remuneration and severance pay.

Adjustments to variable remuneration

On 1 January 2014 the Dutch act on the revision and claw-back of bonuses and profit sharing arrangements of directors and day-to-day management entered into force. The act applies to executive board members of Dutch public companies and financial institutions as defined in the Dutch Financial Supervision Act, which includes banks, insurance companies, investment firms and investment fund managers as well was entities belonging to them. For financial institutions, the scope of the act is not limited to bonuses of executive board members but also to those who are in charge of day-to-day management. The rules provide for the possibility to: (a) revise a bonus prior to payment, if unaltered payment of the bonus would be unacceptable pursuant to the criteria of "reasonableness and fairness", and (b) claw-back (part of) a paid bonus, if payment took place on the basis of incorrect information on the fulfilment of the bonus targets or conditions for payment of the bonus.

A specific provision applies in the event of a "change of control" situation for Dutch-listed companies, such as a public offer, a sale of a substantial part of the business, a merger or a demerger. In those situations the company must determine whether there is an increase in value of the securities that have been granted to a board member as part of his remuneration. The starting point is the value of the relevant securities four weeks before the public offer or merger/demerger is announced or a Section 2:107a Dutch Civil Code (*Burgerlijk Wetboek*) transaction is put to the general meeting. This original value must be compared with the value of the relevant securities on the day the board member either sells the securities or the board membership ends. If there is an increase in the value of the securities, the amount of the increase, to a certain maximum, must be deducted from the remuneration to be paid to the board member. To the extent the increase in value exceeds the remuneration of the relevant board member, the Company shall have a claim against this board member for such excess. Specific rules apply in relation to a merger and demerger.

Dutch Financial Reporting Supervision Act

The Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*, the "FRSA") entered into force on 31 December 2006. The FRSA replaced the statutory provisions governing legal proceedings on annual accounts and financial reports. Pursuant to the FRSA, the AFM supervises the application of financial reporting standards by companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated market in the EEA or comparable foreign stock exchange outside the EEA. Under the FRSA, the AFM has an independent right to: (a) request an explanation from listed companies to which the FRSA applies regarding their application of financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that their financial reporting meets the applicable standards, and (b) recommend to such companies the publication of further explanations.

If a listed company to which the FRSA applies does not comply with such a request or recommendation, the AFM may request that the Enterprise Chamber order the company to: (i) prepare its financial reports in accordance with the Enterprise Chamber's instructions, and (ii) provide an explanation of the way it has applied financial reporting standards to its financial reports.

Dutch Prevention of Money Laundering and the Financing of Terrorism Act

On 1 August 2008, the Prevention of Money Laundering and the Financing of Terrorism Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*) (the "PMLA") entered into effect. It replaced the Dutch Services Identification Act (*Wet identificatie bij dienstverlening*) and the Dutch Disclosure of Unusual Transactions Act (*Wet melding ongebruikelijke transacties*). Most of the provisions incorporated in those acts were incorporated into the PMLA.

The PMLA implements MLD3 in the Netherlands. The PMLA applies to, *inter alia*, financial institutions, including insurance companies, banks, investment firms and investment fund managers. The aim of the PMLA is to combat the laundering of the proceeds of crime and the financing of terrorism. The PMLA introduces a risk-oriented and principle based approach and creates flexibility for the institutions. At the same time it implies greater responsibility. The institutions have to assess the risk exposure entailed by certain customers and products and have to align their efforts accordingly. Mandatory rules are no longer imposed on institutions on how to comply, but rather what has to be complied with. An institution, however, must ensure that its employees are familiar with the provisions of the PMLA and that they receive training in order to enable them to recognise unusual transactions. The PMLA imposes requirements regarding, *inter alia*, customer due diligence and the reporting of unusual transactions. Supervision under the PMLA is conducted by, *inter alia*, DNB and the AFM.

The Company, its branches, affiliates, and subsidiaries are firmly committed to participating in international efforts to combat money laundering and the funding of terrorist and criminal activities. The Netherlands is a member country of the Financial Action Task Force and the European Union and has enacted laws and rules designed to implement the anti-money laundering policies of both the Financial Action Task Force and the EU.

Dutch Sanctions Act 1977

Sanctions are political instruments in the foreign and security policy of countries and international organisations (such as the United Nations and the European Union). In general, sanctions are mandatory instruments, used in response to breaches of international laws and human rights, or to effect change when legal or democratic principles are not being adhered to. Sanctions also play a role in the fight against terrorism. Usually, sanctions imposed by the United Nations are incorporated as soon as possible by the EU into European legislation.

EU sanctions regulations have direct effect in the Dutch legal system. The content of the regulations concerned indicate the kind of sanctions involved, their purport, and the states, territories, persons or entities they are aimed at.

The Dutch legal framework regarding sanctions is based on the Dutch Sanctions Act 1977. Pursuant to the Dutch Sanctions Act 1977, the Dutch government can issue subsidiary legislation through which a breach of international sanctions (e.g. EU sanctions regulations) is made a criminal offence. The Dutch Sanctions Act 1977 and subsidiary legislation impose requirements regarding the administrative organisation and internal control of financial undertakings, including a reporting obligation. Both the AFM and DNB are designated authorities for the supervision on compliance with the Dutch Sanctions Act 1977. Financial undertakings, including banks, insurance companies, investment firms and managers of investment institutions, must comply with the provisions of the Dutch Sanctions Act 1977. DNB and the AFM can take administrative measures for non-compliance, including imposing a cease-and-desist order or an administrative fine.

Dutch Data Protection Act

The Dutch Data Protection Act (*Wet bescherming persoonsgegevens*) entered into force on 1 September 2001. The act implements EU Directive 95/46/EC of 4 October 1995 on the protection of individuals with regard to the processing of personal data and the free movement of such data and imposes restrictions on the collection, use and other forms of processing of personal data.

Pursuant to the Dutch Data Protection Act, personal data may only be processed in case the criteria for making data processing legitimate are met. This safeguard is a prerequisite for all contemplated data processing. If the data processing is indeed legitimate (based on the statutory criteria), such processing must also comply with the other obligations set out in the Dutch Data Protection Act, including but not limited to notification obligations (exceptions apply) and obligations with respect to the transfer of personal data.

Non-compliance with the Dutch Data Protection Act may have the following consequences:

- The Dutch Authority of Personal Data (*Autoriteit Persoonsgegevens*) can apply administrative measures of constraint (*bestuursdwang*) and/or impose an order (*last onder dwangsom*); and
- The obligation to pay damages to the individual concerned.
- as of 1 January 2016: the Dutch Authority of Personal Data will also be able to impose fines of up to EUR 810,000 (this is the current amount mentioned in the sixth category of the Dutch Penal Code) or 10% of the annual turnover for legal entities in the event of failure to comply with most of the requirements laid down in the Dutch Data Protection Act. The Dutch Authority of Personal Data, however, should first provide a binding ruling unless in case of wilful intent (*opzet*) or seriously culpable negligence (*ernstig verwijtbare nalatigheid*) and can set a time period within which such ruling should be complied with.

With respect to notification obligations, it is noted that the Dutch Authority of Personal Data may also impose an administrative fine with a maximum of EUR 4,500 per omitted, false or incomplete notification. It may also lead to penal sanctions.

In the Netherlands, the Dutch Association of Banks and the Dutch Association of Insurers drafted the Code of Conduct for the Processing of Personal Data by Financial Institutions (*Gedragscode Verwerking Persoonsgegevens Financiële Instellingen*) that includes specific data protection rules for health insurers. The latest draft of this code, dated 1 May 2010, was ratified by the Dutch Data Protection Authority on 13 April 2010 (although this ratification lapsed per 26 April 2015). In addition to this code of conduct, the Company also complies with the corresponding Annex Healthcare Insurers (*Addendum Zorgverzekeraars*), which contains rules with respect to the personal data processing by healthcare insurers.

Further, the Company has acceded to the Protocol for the Incidents Warning System of Financial Institutions (*Protocol Incidenten waarschuwingssysteem Financiële Instellingen*). This protocol, drafted on behalf of the Dutch Association of Banks, the Dutch Finance Houses' Association, the Dutch Association of Health Insurers and the Dutch Foundation of Fraud Prevention sets out the rules which financial institutions may abide by if an incident is recorded in a register. The protocol was ratified by the Dutch Authority of Personal Data on 7 October 2013.

In January 2012 a formal draft of the new EU Data Protection Regulation was issued. This new regulation aims to (a) better protect personal data of EU citizens, (b) replace the current (national) legislation and (c) adjust it to twenty-first century requirements and technology. The EU Data Protection Regulation will be directly binding for EU countries. The regulation is not likely to enter into force before 2017.

Insurance and Insurance-Related Regulation

The Dutch Financial Supervision Act provides that no entity with its registered office in the Netherlands may carry on the business of a life insurance company (*levensverzekeraar*) or general insurance company (*schadeverzekeraar*) without an authorisation granted by DNB. The Dutch Financial Supervision Act contains similar provisions for cases where such a business is operated from a Netherlands-based branch of an institution with its registered office outside the EU. In the event that such business is operated from a Netherlands-based branch of an institution with its registered office within the EU, the "home country control" principle applies.

DNB supervises authorised insurance companies by collecting and assessing information regarding those insurance companies. If DNB deems it necessary, it may subsequently take actions pursuant to its assessments. DNB collects information in various ways: by receiving reports and documentation, conducting discussions and carrying out onsite investigations. More indirectly, DNB also uses information from analyses of developments in the financial sector and from contacts with other supervisory authorities. DNB can also make very specific requests for information from the insurance company itself as well as from other parties involved. Based on the information, DNB carries out prudential analyses. The information and analysis together form the basis for the judgement as to whether an insurance company is complying with the supervisory requirements. DNB uses its findings again in the operational supervision of the relevant insurer.

In the context of guiding of and intervening in a supervised insurer, DNB has a number of tools at its disposal to direct the conduct of a supervised insurer. DNB can issue a directive to an insurance company obliging it to adopt a certain course of conduct on specific points. DNB can issue such a directive if: (a) either the insurance company fails to comply with the provisions of the Dutch Financial Supervision Act or related secondary legislation; or (b) DNB identifies signs of a development that may endanger the funds, solvency or liquidity of that insurer.

Furthermore, DNB may appoint an administrator (*curator*) for all or some corporate bodies or representatives of an insurer, which means that those bodies or representatives may only exercise their powers after obtaining the administrator's approval. The situations in which DNB will resort to this measure correspond to the cases in which DNB can issue a directive as set out above. In the event of the breach of certain provisions listed in the Dutch Financial Supervision Act, DNB can impose a cease-and-desist order or an administrative fine on the offending insurer. DNB also has certain powers under the Dutch Financial Supervision Act to make information public; this involves issuing a public warning and announcing a decision to impose an administrative fine or a cease-and-desist order.

The Dutch insurance and reinsurance framework is mainly relevant for DLL, Delta Lloyd Schadeverzekering, ABN AMRO Levensverzekering N.V. and ABN AMRO Schadeverzekering N.V.

Supervision of technical provisions

The Dutch Financial Supervision Act provides that an insurance company must maintain technical provisions (*technische voorzieningen*). Technical provisions function as a buffer facility in order to cover possible claims by policyholders. The size of the technical provisions is dependent on the type of insurance company concerned (e.g. life or non-life). An insurance company must keep assets as a cover for the technical provisions. The relevant legislation prescribes what assets are permitted and what conditions and maximums apply to specific assets. DNB is the supervisory authority in this respect.

Solvency supervision

Pursuant to the Dutch Financial Supervision Act, insurers are obliged to meet solvency requirements. These requirements have been implemented into Dutch legislation pursuant to EU insurance directives; see "*—EU Regulatory Framework—Insurance and Insurance-Related Regulation—Solvency II Directive*". The purpose of the solvency requirements is to enable insurance companies to absorb losses resulting from unforeseen events such as an economic downturn or a shortfall of expectations in the insurer's investment activities. Different criteria apply to different types of insurance policies. DNB supervises the solvency requirements applicable to Dutch insurance companies.

Solvency 1.5

On 1 January 2014, an interim solvency regulation (commonly referred to as Solvency 1.5) came into force in the Netherlands, in addition to Solvency I and in anticipation of Solvency II. The regulation fitted within the Minister of Finance's strategy to make the supervision of insurance companies more risk-sensitive and forward-looking. One of the changes was the introduction of the Theoretical Solvability Criterion (*Theoretisch Solvabiliteitscriterium*) ("TSC"), which applied to large- and medium-sized life insurers in the Netherlands. The aim of the TSC was to ensure that under certain pre-defined stress scenarios, life insurance companies would still comply with the solvency requirements. This framework provided for risk-based supervision and stronger life insurance companies to anticipate the Solvency II framework.

As of 1 January 2015, in anticipation of the applicability of the Solvency II regime, the TSC no longer applies.

Since 1 January 2015, insurance companies have to assess whether or not they comply with the Solvency II requirements, which are expected to be implemented and applicable in the Dutch legislative framework from 1 January 2016. The proposed implementing legislation refers to a large extent to the contents of the Solvency II framework. See under "*—EU Regulatory Framework—Insurance and Insurance-Related Regulation—Solvency II Directive*".

Furthermore, on 1 January 2014, Section 3:97 of the Dutch Financial Supervision Act came into force in the Netherlands. This section provides that an insurance company is required to obtain a declaration of no objection from DNB, if the insurance company wants to reduce its own funds by means of (a) repayment of capital or (b) pay-out of reserves, while the insurance company does not meet certain solvency requirements (i) at the date of distribution or (ii) when it is foreseeable that the insurance company will not meet these requirements in the coming 12 months. The rule applies, for instance, to dividend distributions and the repayment of subordinated loans.

Structural supervision

Dutch law contains provisions regulating, amongst other things, ownership conditions. Pursuant to Section 3:95 of the Dutch Financial Supervision Act, a declaration of no-objection from DNB is required for any holding, acquisition or increase of a Qualifying Participation in, amongst others, an insurance company based in the Netherlands. A "Qualifying Participation" is defined as a holding of 10% or more in the issued share capital of the insurance company (directly or indirectly), or the ability to vote at least 10% of the issued shares in the insurance company (directly or indirectly), or the ability to have a similar influence on the insurance company (directly or indirectly). Further thresholds at which a new declaration of no objection must be obtained are: 20%, 33%, 50% and 100%. Non-compliance with the requirement to obtain a declaration of no-objection is an economic offence and may lead to criminal prosecution. In addition, if a person acquires a Qualifying Participation without having obtained a declaration of no-objection, it may be obliged to cancel the transaction within a period to be set by DNB unless the person cures the offence and obtains a declaration of no-objection. DNB may request the District Court in Amsterdam to annul any resolutions that have been passed in a general meeting of shareholders in which such person exercised its voting rights, if such resolution would not have been passed or would have been passed differently if such person would not have exercised its voting rights. The District Court will not annul the resolution if the relevant person obtains a declaration of no-objection prior to the decision of the court.

Furthermore, Shareholders may be subject to notification obligations under the Dutch Financial Supervision Act. Please see "*Description of Share Capital and Corporate Structure—Disclosure of Holdings*".

A declaration of no objection is issued dependent on the outcome of an assessment of the potential holder of the participating interest. The shareholder, the shareholder's trustworthiness, the extent of control the shareholder will acquire over the financial undertaking concerned, possible conflicts with sound and prudent operations of the undertaking and other considerations are assessed before DNB or, in case of a bank, the ECB will issue a declaration of no objection.

Financial services providers

Most subsidiaries of the Company qualify as financial services providers (*financiële dienstverleners*) within the meaning of the Dutch Financial Supervision Act. The definition of a financial services provider is very broad. It includes for example the offering of (*aanbieden*), intermediating in (*bemiddelen*) and advising on (*adviseren*) financial products (other than financial instruments). Examples of such financial products are insurance products, consumer and mortgage credit as well as payment and savings accounts. As a result of their activities, banks, insurance companies and premium pension institutions generally qualify as financial services providers. Financial services providers are under market conduct supervision by the AFM. The market conduct rules set out in the Dutch Financial Supervision Act apply to financial services providers. Some of these rules apply to all financial services providers, while other rules only apply if the financial services provider provides a certain type of service.

Insurance intermediaries

Conducting insurance intermediary services requires a licence. Under the Dutch Financial Supervision Act, an insurance intermediary (*verzekeringstussenpersoon*) is the party that advises (*adviseur*), provides brokerage services (including in respect of reinsurance) (*bemiddelaar*), or acts as an authorised agent (*gevolmachtigd agent*) given a power of attorney, or sub-power of attorney in respect of an insurance product. The supervision, exercised by the AFM, is focused on orderly and transparent financial market processes, integrity of relations between market players and due care in the provision of services to customers.

As of 1 January 2013, a ban on third-party commission payments was introduced in the Netherlands. The ban means that, *inter alia*, insurance intermediaries are not allowed to receive commission payments for advising or providing brokerage services in respect of insurance products, other than general insurance products, and insurers are not allowed to pay such commission payments to insurance intermediaries. Consumers must pay the commission payments directly to the intermediary. Insurers are not allowed to waive commission payments when offering insurances directly (without an insurance intermediary being involved) to the consumer.

Insurance intermediaries advising or providing brokerage services in respect of general insurance may only receive commission payments to the extent these commission payments are appropriate and necessary for the services rendered by the intermediary. The intermediary must be transparent to the consumer on the commission payments received. The AFM has issued guidelines for the application of the commission payment rules that apply to general insurance intermediaries. An important part of the specific requirements that relate to commission payments are included in open standards. The AFM's guidelines mainly relate to these open standards, including the manner in which commissions should be made transparent. The AFM provides starting points for the application of the commission payment rules through the use of examples for instance. Insurance intermediaries acting as authorised agents may in principle not receive commission payments, unless these payments are necessary for, or enable the provision of, the services.

If the proposal for the IDD is adopted, the rules regarding the payment of commissions are likely to be amended. See "*—EU Regulatory Framework—Insurance and Insurance-Related Regulation—Insurance Mediation Directive/Insurance Distribution Directive*".

Pensions

In the Netherlands there is a strict distinction between pension benefits as provided by the employer to its employees as an employment benefit and other private life insurance benefits. The main law in the Netherlands applicable to pension providers, including insurers of pension benefits, is the Dutch Pensions Act that as of 1 January 2007 replaced the Dutch Pensions and Savings Funds Act of 1953. Under and pursuant to the Dutch Pensions Act, several additional regulations have been published and are applicable to providers of pension benefits. The prudential and material supervision of pension providers, such as industry-wide pension funds, occupational pension funds, company pension funds and insurance companies is exercised by DNB under the Dutch Pensions Act. The AFM is responsible for the exercising of market conduct supervision.

DNB is also responsible for the prudential supervision regarding PPIs. PPIs are pension providers operating defined contribution pension schemes that are not allowed to cover insurance risks. As a result, PPIs may not provide life-long benefits. In practice this means that PPIs in the Netherlands will only be active in the build-up phase of pensions, and that they will transfer the participant's funds in the PPI at retirement. The Dutch PPI is based on the IORP Directive. The IORP Directive was a first step towards a European internal market for pension schemes as it made it possible for institutions (including PPIs) to operate across borders. On 27 March 2014 the European Commission adopted a legislative proposal for new rules on IORPs. The proposal aims to improve governance and transparency of these funds in Europe, promoting cross-border activity, and helping long-term investment. It is currently unknown when the IORP Directive will be revised and what the implementation deadline will be for the Member States.

Funds and Investment Management-Related Regulation

The regulatory framework in relation to AIFMs, UCITS and investment services has been greatly harmonised throughout the EU through the AIFMD, the UCITS Directives and MiFID. For a description of these EU regimes, see "*—EU Regulatory Framework—Investment management-related regulation*".

Banking and Banking-Related Regulation

General

As described under "*—EU Regulatory Framework—Banking and Banking-Related Regulation—European Banking Union*", since the introduction of the SSM the ECB has final responsibility for the prudential supervision of credit institutions, including Delta Lloyd Bank Netherlands. The ECB is responsible for the direct prudential supervision of 'significant' banks, while the national competent authorities (DNB in case of the Netherlands) are responsible for the direct prudential supervision of other 'less significant' banks, such as Delta Lloyd Bank Netherlands. The ECB is responsible for the granting and withdrawing of licences of all banks. As a result, no enterprise or institution established in the Netherlands may pursue the business of a credit institution unless it has obtained prior authorisation from the ECB. In addition, the ECB is responsible for the granting of a declaration of no objection for acquiring or selling a qualified holding in a licenced bank.

DNB's prudential supervision focuses on the supervision of solvency, liquidity and administrative organisation, including risk management and internal control. If, in the opinion of DNB, a credit institution fails to comply with the rules and regulations regarding the abovementioned subjects, DNB will notify the credit institution and may instruct it to behave in a prescribed manner. If the credit institution does not respond to any such instructions to the satisfaction of DNB, DNB is allowed to exercise additional supervisory measures that may include the imposition of fines or withdrawal of its banking licence. The Dutch Financial Supervision Act provides that each supervised credit institution must submit periodic reports to DNB.

Solvency supervision

The CRD framework represents the translation of the Basel framework into EU legislation; see "*—EU Regulatory Framework—Banking and Banking-Related Regulation*". The latest changes in the Basel framework were translated into CRD IV and the CRR. The CRD IV Directive has been implemented into the Dutch Financial Supervision Act and underlying regulations thereto. The CRR is directly applicable since 1 January 2014, resulting in more stringent rules and, in comparison with the former Dutch framework, additional reporting requirements.

Liquidity supervision

Banks are required to report their liquidity position on a consolidated level to DNB on a monthly basis. The liquidity reporting rules seek to ensure, *inter alia*, that banks are in a position to cope with acute short-term liquidity shortages. In principle, the liquidity reporting rules cover all direct domestic and foreign establishments (subsidiaries/branches), including majority participants. The regulatory report also takes into consideration the liquidity effects of derivatives and potential drawings under committed facilities. These liquidity requirements will cease to have effect from 1 January 2016, since the liquidity requirements following from the CRD IV framework will apply from October 2015. Reference is made to "*—EU Regulatory Framework—Banking and Banking-Related Regulation*".

Structural supervision

Obtaining an interest or control of 10% or more in a Dutch-based bank requires a declaration of no objection issued by the ECB. In addition, banks may be required to apply for a declaration of no objection issued by DNB for obtaining or increasing a qualifying holding in another company. This is the case if the participating interest exceeds a given threshold value; for example, when the participating interest constitutes more than 1% of the balance sheet total of the receiving bank. A bank also requires a declaration of no objection for certain specific actions, such as a reduction of own funds, or a financial or corporate restructuring.

Supervision of financial conglomerates

See "—EU Regulatory Framework—Banking and Banking-Related Regulation—Financial Conglomerates Regime".

Deposit guarantee scheme

In August 2011, the Dutch Ministry of Finance and DNB published their proposal to establish an *ex ante* funded (i.e. pre-funded) deposit guarantee scheme in the Netherlands by means of an amendment of the Special Prudential Measures, Investor Compensation and Deposit Guarantees (Financial Supervision Act) Decree (*Besluit bijzondere prudentiële maatregelen, beleggerscompensatie en depositogarantie Wft*). In the end, the proposals thereto never entered into force. On 3 July 2015, the Dutch Minister of Finance informed the Lower House (*Tweede Kamer*) that the implementation deadline in respect of the recast Deposit Guarantee Scheme Directive would not be met in the Netherlands. The legislation implementing the recast directive entered into force on 26 November 2015.

Other Dutch regulatory developments

There are still various areas where new rules in the Dutch regulatory framework are to be expected, two examples of which are:

- the Financial Markets (Amendment) Act 2016 contains a ban on commissions for insurance companies in respect of unit-linked insurance (*unit-linked beleggingsverzekeringen*); and
- the Netherlands is currently not partaking in the introduction of a FTT, since certain requirements the Dutch government has set for adoption are not met. Nonetheless, it is possible that the Netherlands will implement the FTT at a later point in time. See also "*Risk Factors—Regulatory and Litigation Risks—Changes in tax law may render the Group's products less attractive, or affect its own tax position*" and "*Risk Factors—Regulatory and Litigation Risks—Dealings in the Offer Securities could be subject to a future European Financial Transactions Tax*".

In addition, since many of the regulatory requirements described in this chapter have been introduced recently, or have yet to be applied, the exact impact of many of these regulatory requirements in respect of the Company is not fully clear.

Belgian Regulatory Framework

The insurance business of the Group's Belgian subsidiary is subject to Belgian regulatory laws, rules, legislation and supervision. The Group sells life insurance in Belgium.

Insurance and Insurance Related Regulation

Delta Lloyd Life Belgium, an insurance company governed by Belgian law, is subject to detailed and comprehensive regulation in Belgium. The NBB and FSMA acts as its supervisory authorities.

The insurance regime in Belgium is governed among others by the Belgian Act of 9 July 1975 on insurance supervision, as amended (the Belgian Insurance Supervision Act). The Belgian Insurance Supervision Act, i*nter alia*, implements EU insurance directives referred to above under the EU Regulatory Framework. It sets forth the conditions under which insurance companies may operate in Belgium and defines the regulatory and supervisory powers of the NBB and the FSMA.

The new legislation implementing the Solvency II requirements into Belgian law is expected to be published at the latest by the end of December 2015. It will replace the Belgian Insurance Supervision Act.

Supervision of insurance companies

Belgian insurance companies must obtain a licence from the NBB after receiving the favourable opinion of the FSMA before they may commence operations. In order to obtain a licence and maintain it, each insurance company must fulfil numerous conditions, including the requirement to apply certain technical provisions for the adequate fulfilment of its contractual and legal obligations, as well as a minimum solvency margin. There is also a "fit and proper" test and transparency requirements for shareholders, Board of Directors members, Executive Committee members and dedicated control functions. The NBB supervises the shareholders' structure and can intervene based on prudential considerations.

Specific rules also apply in respect of transfers of insurance portfolios by a Belgian insurance company to other insurance companies. The Belgian Insurance Supervision Act requires insurance companies to provide detailed periodic financial information to the NBB and policies related information to the FSMA.

Pursuant to the Belgian Insurance Supervision Act, the NBB may, in order to exercise its prudential supervision, require that all information with respect to the financial position and the transactions of an insurance company be provided to it, either by the insurance company itself or by its affiliated companies. The NBB may supplement these communications by on-site inspections. The NBB also supervises insurance companies through collaboration with statutory auditors selected by insurance companies from a list of auditors or audit firms accredited by the NBB.

If an insurance company does not provide for the required technical reserves, the NBB may restrict or prohibit the company's free use of its assets. If an insurance company no longer meets the minimum solvency margin requirements, the NBB may require that a recovery plan be prepared. In general, if the NBB finds that an insurance company is not operating in accordance with the provisions of the Belgian Insurance Supervision Act, that its management policy or its financial position is likely to prevent it from honouring its commitments or that its administrative and accounting procedures or internal control systems present deficiencies, the NBB will set a deadline by which the situation must be rectified. If the deadline is not met, the NBB has the power to appoint a special commissioner to replace management, to prohibit or limit certain activities, to dispose of all or part of its activities, to order the replacement of the board of directors and management, failing which it will itself appoint a provisional manager, and to withdraw the licence.

In addition to the supervision of insurance companies under the Belgian Insurance Supervision Act, certain mandatory rules regarding the terms and conditions of insurance contracts, as well as regarding insurance premiums, may apply.

Cross-border activity

DLL and Delta Lloyd Schadeverzekering are both accredited as insurance companies in Belgium on a cross-border basis. Both companies hold a "European passport" allowing them to commence their businesses in Belgium. This is confirmed by the list of the NBB of insurance companies established in another Member State of the EEA and allowed to provide their services in Belgium on a cross-border basis. Both companies are therefore primarily subject to supervision by their home country regulator in the Netherlands. See "*—EU Regulatory Framework—Insurance and Insurance-Related Regulation*" for details regarding the "home country control" principle.

DLL and Delta Lloyd Schadeverzekering are subject to certain provisions of Belgian law, including the provisions protecting the general good that are applicable to foreign insurance companies.

Insurance intermediaries

Delta Lloyd Life Belgium is registered as insurance intermediary with the FSMA. Insurance intermediation is regulated by the Belgian Act of 4 April 2014 on insurances (the "Insurances Act") and is subject to the supervision of the FSMA. In accordance with the Insurances Act, insurance intermediaries (whose home Member State is Belgium) must be registered with the FSMA in order to offer insurance intermediation services in Belgium and must comply with various requirements when carrying out their activities.

If the proposal for the Insurance Distribution Directive (IDD) is adopted, various rules of the Insurances Act will likely be amended, among others the rules regarding the payment of commissions. See "*—EU Regulatory Framework—Insurance and Insurance-Related Regulation—Insurance Mediation Directive/Insurance Distribution Directive*".

Mortgage credit

Delta Lloyd Life Belgium is registered as mortgage credit enterprises (*hypotheekondernemingen/entreprises hypothécaires*). The activities of mortgage credit enterprises were previously regulated by the Belgian Act of 4 August 1992 on mortgage credit. Since 1 April 2015 for most of the provisions concerning mortgage credits and as from 1 November 2015 for the remaining provisions, mortgage credits and mortgage credit enterprises are/will be regulated by Book VII of the Belgian Code of Economic Law. Mortgage credit enterprises are subject to the supervision of the FSMA.

With the implementation of the MCD in Belgium, various rules of Book VII of the Belgian Code of Economic Law will likely be amended. Currently, no legislative proposal implementing the MCD into Belgian legislation is available.

Funds and investment management-related regulation

The regulatory framework in relation to AIFMs, UCITS and investment services has been greatly harmonised throughout the EU through the AIFMD, the UCITS Directive and MiFID. For a description of these EU regimes, see "*—EU Regulatory Framework—Investment management-related regulation*".

Two self-managed Belgian investment companies with multiple sub-funds, BEVEK Delta Lloyd and BEVEK Delta Lloyd Institutional, have delegated investment management activities to Delta Lloyd Asset Management. These funds are distributed in Belgium.

Delta Lloyd Asset Management acts pursuant to a European passport as management company of the Luxembourg SICAV Delta Lloyd L (investment company with multiple sub-funds), which sub-funds are distributed in Luxembourg, Belgium, the Netherlands, Germany and Austria. The investment management on behalf of the Luxembourg investment company Delta Lloyd Privilege is delegated to Delta Lloyd Asset Management. This fund is also distributed in Belgium. The investment management activities by Delta Lloyd Asset Management on behalf of the above mentioned funds will probably be ending at short notice.

Delta Lloyd Asset Management is primarily subject to supervision by the AFM, but the funds are nevertheless also subject to provisions of Belgian and/or Luxembourg law and applicable European regulations, which means that all of the Company's not outsourced processes must comply with these regulations.

Institution for occupational pension

The institutions for occupational pensions are regulated by the Belgian Act 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, as amended (the "Pension Act"). The Institution de Retraite Professionnelle de Delta Lloyd Life Belgium OFP is registered as an institution for occupational pensions.

Structural supervision

Under Belgian law, any person who intends to acquire securities in a Belgium-based insurance company and who would, as a result of such acquisition, hold (directly or indirectly) 10% or more of the share capital or of the voting rights in that insurance company, must obtain approval from the National Bank of Belgium. Further approval must be obtained when such person's interest exceeds either of the following thresholds: 20%, 30% or 50%. For any intermediate increase by 5%, a simple notification is required.

Other Applicable Legislation

The prevention of money laundering and terrorist financing is governed by the Belgian Act of 11 January 1993 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as amended (the Belgian AML Act). The Belgian AML Act implements Directive 91/308/EE (MLD1), Directive 2001/97/EC (MLD2) and Directive 2005/60/EC (MLD3).

The Belgian AML Act imposes, among others, on insurance companies and credit institutions various obligations in order to prevent the use of the financial system for the purpose of money laundering and terrorist financing, including the following:

- an obligation to conduct client due diligence as well at the beginning of the relation and during the relation (constant vigilance), i.e. verify the identity of clients and ultimate beneficial owners;
- a prohibition on entering into a client relationship under certain circumstances;
- an obligation to keep documents and information gathered in the context of the client due diligence;
- an obligation to monitor on an ongoing basis the client relationship; and
- an obligation to report unusual or suspicious transactions to the Financial Information Processing Unit, i.e., among others, if it becomes aware of facts which it knows are, or suspects to be, linked to money laundering.

The Financial Information Processing Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to criminal prosecutors to initiate proceedings.

Belgian Data Protection Act

The processing of personal data is governed by the Belgian Data Protection Act (the "BDPA") of 8 December 1992, amended to implement EU Directive 95/46/EC of 4 October 1995 on the protection of individuals with regard to the processing of personal data and the free movement of such data.

The BDPA applies to:

(a) the processing of personal data carried out in the performance of the activities of an establishment of the controller—*i.e.* the entity determining, alone or jointly with others, the purposes and the means of the processing—on the Belgian territory; and

(b) the processing of personal data by a controller that is not established on the Community territory and which, for the purposes of processing personal data, makes use of equipment, automated or otherwise, situated on the Belgian territory, unless such equipment is only in transit through Belgium.

The BDPA imposes a number of obligations on the controller with regard to the processing of personal data. In particular the data controller must:

- process personal data in accordance with certain data quality principles and may only process personal data on the basis of one of the legal grounds mentioned in the BDPA;
- notify the processing to the data protection authority (no approval is required), unless an exemption applies;

- provide an appropriate notification to the data subjects;
- enter into a data processor agreement if the processing of personal data is outsourced to a processor;
- enter into a data transfer agreement if the data is transferred to a country that does not provide an adequate level of protection; and
- take appropriate organisational and security measures to protect the personal data against loss, destruction and all other forms of unlawful processing.

The processing of sensitive data such as health-related data and judicial data is subject to more stringent requirements.

Other Rules and Regulations

USA PATRIOT Act

The USA PATRIOT Act and US Treasury Department's anti-money laundering rules and regulations require any "foreign bank" that maintains a correspondent account with a US bank or US broker-dealer in securities (a 'Covered Financial Institution') to provide the US institution with certain information. As permitted by the final rules, Delta Lloyd Bank Netherlands has prepared a USA PATRIOT Act Certificate for any financial institution that requires such from a Delta Lloyd Bank Netherlands entity.

EXECUTIVE BOARD, SUPERVISORY BOARD AND EMPLOYEES

General

The Company has a two-tier board structure consisting of an executive board (*raad van bestuur*, the "Executive Board") and a supervisory board (*raad van commissarissen*, the "Supervisory Board").

The Dutch full large company regime (*volledig structuurregime*) applies to the Company. Companies to which the Dutch full large company regime applies are obliged to constitute a supervisory board or to have a one-tier board structure consisting of executive and non-executive directors pursuant to Section 2:129a of the Dutch Civil Code. See also "*Description of Share Capital and Corporate Structure—Dutch Full Large Company Regime*".

Below is a summary of relevant information concerning the Executive Board, the Supervisory Board and employees of the Group, as well as a brief summary of certain significant provisions of Dutch corporate law, the Articles of Association and the relevant charters of the Company applicable at the date of this Prospectus, in respect of the Executive Board and the Supervisory Board. See also "*Description of Share Capital and Corporate Structure*".

Executive Board

Responsibilities, Powers and Functioning

The Executive Board is the executive body and responsible for the day-to-day management of the Company under the supervision of the Supervisory Board. It formulates the Company's strategy, policy and operations and takes responsibility for the internal control systems. It also takes all important decisions in consultation with the Company's relevant management teams and, as stipulated by the applicable statutory and regulatory frameworks, the central works council and local works councils.

In performing its duties, the Executive Board must carefully consider and act in accordance with the interests of the Company and the business connected with it, taking into consideration the interest of all of the Company's stakeholders as well as the corporate social responsibility issues that are relevant to its business. The Executive Board is required to keep the Supervisory Board informed, to consult with the Supervisory Board on important matters and to submit certain important decisions to the Supervisory Board for its approval as more fully described below. At least once a year, the Executive Board must provide the Supervisory Board with a written report outlining the Company's strategy, the general and financial risks faced by the Company and the Company's management and control system.

The Executive Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association.

The Executive Board allocates its duties by mutual agreement and notifies such agreement to the Supervisory Board.

The Executive Board as a whole is authorised to represent the Company. Additionally, the authority to represent the Company is also vested in each member of the Executive Board. The Executive Board may appoint officers with general or limited power to represent the Company. Each such officer shall be competent to represent the Company, subject to the restrictions imposed on him. The authority of an officer appointed with general or limited power to represent the Company may not extend to any transaction where it has a conflict of interest with the officer concerned or with one or more members of the Executive Board. In the event of a conflict of interest between the Company and a member of the Executive Board, the Executive Board as a whole as well as each Executive Board member is still authorised to represent the Company.

Executive Board Rules

Pursuant to the Articles of Association the Executive Board has adopted rules regarding its meetings, the passing of resolutions by the Executive Board and working methods as laid down in the by-laws of the Executive Board (the "Executive Board By-Laws"). The Executive Board By-Laws may be amended from time to time and without any prior notification. Prior to any amendment, the Executive Board By-Laws shall be submitted to the Supervisory Board. The Executive Board By-Laws are published on and can be downloaded from the Company's website (http://www.deltalloyd.com).

Meetings and Decision-making

The Executive Board shall in principle meet once a week and, for the rest, as often as one or more Executive Board members indicate a wish to meet. Meetings of the Executive Board shall in principle be held at the office of the Company, but may also be held elsewhere. The chairman of the Executive Board (the "Chairman") shall seek the unanimous adoption of resolutions. If unanimity is not possible and the law, the Articles of Association or the Executive Board By-Laws do not prescribe a greater majority, resolutions of the Executive Board shall be adopted by an absolute majority of the votes cast. Each member of the Executive Board has one vote in this respect. In the event of a tie, the Chairman of the Executive Board shall have the casting vote. The Executive Board may adopt resolutions in writing, provided the proposal concerned is submitted to all incumbent Executive Board members and none of them objects to this decision-making procedure. Adoption of resolutions in writing shall be effected by statements in writing from all Executive Board members.

A member of the Executive Board may not participate in deliberating and decision-making within the Executive Board if, with respect to the matter concerned, he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. If, for this reason, no Executive Board resolution can be adopted this resolution will be adopted by the Supervisory Board.

Certain resolutions of the Executive Board identified in the Articles of Association require the approval of the Supervisory Board, *inter alia*:

- issue and acquisition of shares in and debentures at the expense of the Company or debentures at the expense of a limited partnership or general partnership of which the Company is a fully liable partner;
- co-operation in the issue of depository receipts;
- application for the quotation or withdrawal of the quotation of the instruments referred to under the previous two paragraphs to do business on a regulated market or a multilateral trading facility as referred to in Section 1:1 of the Dutch Financial Supervision Act or a system comparable to a regulated market or a multilateral trading facility of a state which is not a Member State of the European Economic Area or an application for the withdrawal of such quotation;
- the entering into or discontinuation of permanent co-operation of the Company or a dependent company (*afhankelijke maatschappij*) with another legal entity or company or as a fully liable partner in a limited partnership or general partnership if such co-operation or discontinuation is of material significance to the Company;
- the taking of a participation to a value of at least one-fourth of the amount of the issued capital with the reserves in accordance with the balance sheet and explanatory notes of the Company, by the Company or a dependent company in the capital of another company and the significant increase or decrease of such a participation;
- investments requiring an amount equal to at least one quarter of the issued capital plus the Company's reserves according to its balance sheet and explanatory notes;
- a proposal to amend the Articles of Association;
- a proposal to dissolve the Company;
- the filing of a petition for bankruptcy and application for suspension of payment;
- termination of the employment contract of a substantial number of employees of the Company or of a dependent company simultaneously or within a short space of time;
- significant change in the working conditions of a considerable number of employees of the Company or of a dependent company;
- a proposal to reduce issued capital;
- a proposal for a merger or demerger within the meaning of Title 7, Book 2 of the Dutch Civil Code;
- the adoption of the operational and financial objectives of the Company, the adoption of the strategy that is drawn up to achieve these objectives and adoption of the parameters to be applied with respect to the strategy, as well as the specific corporate social responsibility issues;
- a transaction involving a conflict of interest of a member of the Executive Board with the Company and/or the relevant member;

- the acceptance by a member of the Executive Board of a membership of the supervisory board of a company of which the shares or depository receipts thereof have been admitted to a regulated market as referred to in Section 1:1 of the Dutch Financial Supervision Act; and
- any amendment to the dividend policy.

Furthermore, Dutch law and the Articles of Association provide that decisions of the Executive Board involving a significant change in the Company's identity or character are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or substantially all of the Company's business to a third-party;
- the entry into or termination of a longstanding joint venture with other legal entities or companies, or of the Company's position as a fully liable partner in a limited partnership or a general partnership, if such a joint venture is of major significance to the Company; or
- the acquisition or disposal of a participation in the capital of a company worth at least one-third of the amount of the assets according to the balance sheet with explanatory notes thereto, or if the Company prepares a consolidated balance sheet, according to such consolidated balance sheet with explanatory notes according to the last adopted annual accounts of the Company, by the Company or a subsidiary.

The absence of an approval of the Supervisory Board or the General Meeting of a resolution of the Executive Board does not affect the representative authority of the Executive Board or its members.

Certain resolutions of the General Meeting can only be made at the proposal of the Executive Board with the prior approval of the Supervisory Board. See "*Description of Share Capital and Corporate Structure*".

Composition, Appointment, Term and Dismissal

The Executive Board must consist of two or more members, with the total number of members to be determined by the Supervisory Board. In the event of one or more vacancies on the Executive Board it shall remain competent even if it should consist of one member only. As a result of the Dutch full large company regime, the members of the Executive Board are appointed by the Supervisory Board. Prior to appointing a member of the Executive Board, the Supervisory Board must notify the General Meeting and the works council of the Company (the "Works Council") of such intended appointment. The Supervisory Board will appoint one of the members of the Executive Board to be Chairman. It may also appoint one of the members to be the substitute chairman. The Executive Board may recommend persons for nomination.

Executive Board members are appointed for a maximum term of four years, and can be reappointed for successive terms of no more than four years. The Supervisory Board may suspend or remove a member of the Executive Board. However, the Supervisory Board is only entitled to remove a member of the Executive Board after the General Meeting and Works Council have been consulted on the intended removal. Any suspension may be extended one or more times, but may not last longer than six months.

For each vacant seat on the Executive Board, the Supervisory Board can determine that it will be temporarily occupied by a person (a stand-in) designated by the Supervisory Board in consultation with the Executive Board. Persons that can be designated as such include (without limitation) Supervisory Board members, it being understood that a Supervisory Board member so designated will retain his position as member of the Supervisory Board. If and as long as one or more seats on the Executive Board are vacant, the management of the Company will be temporarily entrusted to the person or persons who (whether as a stand-in or not) do occupy a seat in the Executive Board. If and as long as all seats are vacant and no seat is temporarily occupied, the Supervisory Board will be temporarily entrusted with the day-to-day management of the Company.

The Executive Board Members are assessed on their integrity and suitability by the competent Dutch regulator, see "*Supervision and Regulation-Dutch Regulatory Framework-Oath*".

The regulatory environment is changing and to strengthen the risk function, the Company decided to appoint a CRO to the Executive Board. The CRO is responsible for the Company's risk management and integrity framework and for communicating the risk policy to DNB and the AFM. Previously, the risk department had reported to the CFO. The Company felt it would be more beneficial to the Company to create a separate reporting line in the Executive Board for risk management, integrity and actuarial affairs, thus safeguarding the importance of these issues.

Members of the Executive Board

As at the date of this Prospectus, the Executive Board is composed of the following four persons:

H. (Hans) van der Noordaa (1961)	Mr. Van der Noordaa has Dutch nationality. He was appointed as Chairman of the Executive Board (CEO) in 2014 and started on 1 January 2015. He obtained a Master's degree in Public Administration from the Twente University of Technology, the Netherlands, in 1986. Previously, he was executive board member of ING Bank, He is the chairman of the supervisory board of Stadsherstel Amsterdam N.V. and board member of the Dutch Association of Insurers.
C.J. (Clifford) Abrahams (1967)	Mr. Abrahams has British nationality. He was appointed as Chief Financial Officer ("CFO") on 16 March 2016, but already started his duties on 1 January 2016. He obtained a Master's degree in Economics from the University of Cambridge. Until 31 December 2015, he served as the CFO of Aviva Investors, a global asset manager, with assets under management in excess of EUR 350 billion. Before that, he served as CFO of Aviva UK & Ireland Life Insurance and as CFO of Aviva UK & Ireland General Insurance. Prior to joining Aviva, Mr. Abrahams spent 12 years at Morgan Stanley, where he became Managing Director in 2002. In 2005, he was appointed as Chief M&A Officer at Aviva. At that time, Aviva was the majority shareholder of the Company. Mr. Abrahams played an important role in the Company's initial public offering in 2009.
A.P. (Annemarie) Mijer-Nienhuis (1970)	Ms. Mijer-Nienhuis has Dutch nationality. She was appointed as member of the Executive Board in 2015. She is the CRO of the Company. She graduated from the University of Amsterdam in Actuarial Mathematics. Her previous positions were Chief Risk Officer and Member Statutory Management Board Nationale-Nederlanden Levensverzekering Maatschappij N.V., Chief Risk Officer Nationale Nederlanden Zakelijk and Chief Insurance Risk Officer ING Group, Insurance Risk Management—Division Intermediary.
I.M.A. (Ingrid) de Graaf (1969)	Ms. De Graaf has Dutch nationality. She was appointed as member of the Executive Board in 2014. She has a Master's degree in Dutch language and Literature from the University of Utrecht. Her previous positions at the Company were Director Commercial Division Delta Lloyd, CEO of ABN AMRO Insurance, Director of Operations of Delta Lloyd Life Belgium and Director of Sharing/Group Business Change and Development.
L.M. (Leon) van Riet (1964)	Mr. Van Riet has Dutch nationality. He is to be appointed as a member of the Executive Board in 2016. He has a Master's degree in Electrical Engineering from Delft University of Technology. His previous positions at the Company were Managing Director of Delta Lloyd Leven, CIO and Director of Group IT, CIO and Director of ICT of Delta Lloyd Insurance and Director of Programme management and E-business of Delta Lloyd Insurance.

On 24 February 2016, the Supervisory Board announced that it planned to appoint Leon van Riet (51) as member of the Executive Board. The Supervisory Board will inform shareholders of the planned appointment of Leon van Riet at the annual General Meeting to be held on 19 May 2016, which will be followed by his formal appointment by the Supervisory Board. DNB and the AFM have approved the planned appointment. Mr. Van Riet has Dutch nationality. He is to be appointed as a member of the Executive Board in 2016. He has a Master's degree in Electrical Engineering from Delft University of Technology. His previous positions at the Company

were Managing Director of Delta Lloyd Leven, CIO and Director of Group IT, CIO and Director of ICT of Delta Lloyd Insurance and Director of Programme management and E-business of Delta Lloyd Insurance.

The Supervisory Board intends to nominate two or three new members of the Supervisory Board to be appointed at the General Meeting. DNB and the AFM have already approved the planned appointment of one of them, who is a senior finance professional with board experience, over 25-years of experience in the UK Life business and a strong insurance and risk management background.

Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate the second person because of their focus on IT, E-commerce, digital marketing and big data. Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate a third person, a senior insurance professional with a broad international senior management experience and a strong senior financial, commercial, strategic and general management background. The Company intends to issue press releases if and when the nominations occur.

The Company agreed in the Fubon Heads of Agreement to nominate (through its Supervisory Board) one individual designated by Fubon to the Supervisory Board and recommend its Shareholders vote in favour of, and otherwise use reasonable best efforts to cause, the election of such Fubon designee to the Supervisory Board so long as Fubon maintains at least a 15% ownership position (on a fully diluted basis) in the Company, subject to (i) Fubon's nominee passing the suitability test (*geschiktheidstoets*) and reliability test (*betrouwbaarheidstoets*) of DNB and ECB and (ii) finalisation of the Company's mandatory employee consultation process.

The Company's registered address at Amstelplein 6, 1096 BC Amsterdam, the Netherlands serves as the business address for all members of the Executive Board.

Employment Agreement, Service Agreement and Severance Pay

All members of the Executive Board are engaged by the Company on the basis of a service agreement. Under the terms of employment:

- Members of the Executive Board are appointed for a period of four years, in accordance with the DCGC;
- Members of the Executive Board receive severance pay of no more than one year's salary in line with the DCGC; and
- The employment contract and the service agreements may be terminated by the Company with six months' notice.

The Company's policy states that the Company and its subsidiaries will not grant any personal loans, guarantees or similar arrangements to members of the Executive Board, except as required for the purposes of executing their normal duties, and subject to conditions applicable to all employees and the approval of the Supervisory Board. Loans will not be remitted.

Potential Conflict of Interest

The Company is not aware of any potential conflicts between any duties of the members of the Executive Board and their private interests and/or other duties. There is no family relationship between any member of the Executive Board or the Supervisory Board.

Other Information in Relation to Members of the Executive Board

The Company is not aware of: (a) any convictions of members of the Executive Board for fraudulent offences in the last five years; (b) any bankruptcies, receiverships or liquidations of any entities with which members of the Executive Board were associated in the last five years; or (c) any official public incrimination or sanctions of any members of the Executive Board by statutory or regulatory authorities (including designated professional bodies) or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.

Limitation of Supervisory Positions

Dutch legislation came into force on 1 January 2013 limiting the number of supervisory positions to be occupied by members of the executive boards or supervisory boards (including one-tier boards) of "large Dutch companies". The term "large Dutch company" applies to any Dutch company or Dutch foundation which at two consecutive balance sheet dates meets at least two of the following criteria: (i) the value of its assets, as given in its balance sheet (together with explanatory notes) on the basis of their acquisition price and production costs, is more than EUR 17.5 million; (ii) its net turnover in the applicable year is more than EUR 35 million; and (iii) the average number of employees in the applicable financial year is at least 250.

The rules provide that (i) a person cannot be appointed as a managing or executive director of a large Dutch company if he already holds more than two supervisory positions at other large Dutch companies or if he is the chairman of the supervisory board or one-tier board of another large Dutch entity; and (ii) a person cannot be appointed as a supervisory director or non-executive director of a large Dutch company if he already holds five or more supervisory positions at other large Dutch entities, whereby the position of chairman of the supervisory board or one-tier board of another large Dutch company is counted twice. An appointment in violation of these restrictions will result in that last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making. The Company qualifies as a large Dutch company. The members of the Executive Board and Supervisory Board comply with these rules.

Diversity Policy

Until 1 January 2016, Dutch law required large companies to pursue a policy of having at least 30% of the seats on the executive board and supervisory board held by men and at least 30% of the seats on the executive board and supervisory board held by women. The term "large company" within the meaning of the diversity policy has the same meaning as set out under "*Limitation of Supervisory Positions*" above except that the criteria are tested on one balance sheet date. This allocation of seats was to be taken into account in connection with (i) the appointment, or nomination for the appointment, of members of the Executive Board and the Supervisory Board, (ii) drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of members of the Supervisory Board; and (iii) drafting the criteria for the members of the Supervisory Board. If a large company did not comply with the gender diversity rules, it was required to explain in its annual report: (i) why the seats were not allocated in a well-balanced manner, (ii) how it had attempted to achieve a well-balanced allocation and (iii) how it aimed to achieve a well-balanced allocation in the future.

This rule was a temporary measure and automatically ceased to have effect on 1 January 2016. Notwithstanding that, the responsible Dutch Minister has announced that she intends to propose legislation shortly to reinstate this rule and extend its application to 2019. No changes are foreseen in comparison to the rule that ceased to have effect on 1 January 2016 and no such legislative proposal has yet been submitted to the Dutch Parliament at the date of this Prospectus.

Supervisory Board

Responsibilities, Powers and Functioning

The Supervisory Board is responsible for supervising the management of the Executive Board and the general course of affairs of the Company and the business connected with it and providing advice to the Executive Board. The Supervisory Board may, on its own initiative, provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board must consider and act in accordance with the interests of the Company and the business connected with it, taking into consideration the relevant interests of all the stakeholders as well as the corporate social responsibility issues of the Company. The profile of the Supervisory Board is based on the Company's business, objectives and main risks. In performing its duties, the Supervisory Board aims to have significant expertise, knowledge and experience available in four areas: (i) management, organisation and communication, (ii) the Company's products, services and markets, (iii) controlled and sound operations and (iv) balanced and consistent decision-making. The Executive Board must timely provide the Supervisory Board with the information necessary for the performance of its duties. At least once a year, the Executive Board must provide the Supervisory Board with a written report outlining the Company's strategy, the general and financial risks faced by the Company and the Company's management and control system. The Supervisory Board will appoint one of its members as chairman. The Supervisory Board is assisted by the company secretary.

The Supervisory Board has appointed from its members an audit committee (the "Audit Committee"), a remuneration committee (the "Remuneration Committee"), a nomination committee (the "Nomination Committee") and a risk committee (the "Risk Committee"). These committees are tasked with preparing the decision-making of the Supervisory Board, although the Supervisory Board remains collectively responsible for the fulfilment of the duties delegated to its committees. See "—*Supervisory Board Committees*".

Supervisory Board Rules

Pursuant to the Articles of Association the Supervisory Board has adopted rules regarding its meetings, the passing of resolutions by the Supervisory Board and working methods as laid down in the by-laws of the Supervisory Board (the "Supervisory Board By-Laws"). The Supervisory Board By-Laws may be amended from time to time and without any prior notification. Prior to any amendment, consultation will take place with the Executive Board. The Supervisory Board By-Laws are published on and can be downloaded from the Company's website (http://www.deltalloyd.com).

Meetings and Decision-making

The Supervisory Board shall meet as often as deemed necessary to ensure the proper functioning of the Supervisory Board, but in any event in accordance with a one-year schedule which it shall set in advance. Furthermore, the Supervisory Board shall hold additional meetings if considered necessary by the chairman of the Supervisory Board, another member of the Supervisory Board or a member of the Executive Board. Each Supervisory Board member, the Chairman and the Executive Board collectively has the right to request that an item be placed on the agenda of a Supervisory Board meeting. Meetings of the Supervisory Board are generally held at the office of the Company, but may also be held elsewhere.

The Supervisory Board may pass its resolutions by an absolute majority of votes. In the event of a tie in votes the chairman will have a deciding vote. The Supervisory Board may pass a resolution without holding a meeting if all the members of the Supervisory Board agree to this manner of adopting resolutions.

A member of the Supervisory Board may not participate in deliberating and decision-making within the Supervisory Board if, with respect to the matter concerned, he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. If as a result the Supervisory Board cannot take a decision, the decision shall be made by the General Meeting.

Composition, Appointment, Term and Dismissal

The Supervisory Board must consist of at least three members. The number of Supervisory Board members, with due observance of this minimum, is determined by the Supervisory Board in consultation with the Executive Board. Should the number of Supervisory Board members be less than three, the Supervisory Board shall take measures forthwith to restore the minimum number of Supervisory Board members. Only individuals (not legal entities) may be members of the Supervisory Board. The following persons cannot be appointed as a Supervisory Board member: (a) persons in the service of the Company; (b) persons in the service of a dependent company; (c) officials or persons in the service of a trade union which is usually involved in determining the terms of employment of the persons referred to under (a) and (b).

The members of the Supervisory Board are appointed by the General Meeting upon nomination of the Supervisory Board. The General Meeting and the Works Council may recommend candidates for nomination to the Supervisory Board. In addition, the Works Council is entitled to include its motivation for a nominee in the notice convening the General Meeting where the nomination is to be decided, and can address the meeting to set out its reasons. The Supervisory Board must simultaneously inform the General Meeting and the Works Council of the nomination. The nomination must state the reasons on which it is based. The Supervisory Board is required to nominate one-third of the Supervisory Board members on the enhanced recommendation (*versterkt aanbevelingsrecht*) of the Works Council, unless the Supervisory Board objects to the recommendation on the grounds that the recommended candidate is not suitable to fulfil the duties of a member of the Supervisory Board or that the Supervisory Board will not be properly composed if the nominated candidate would be appointed.

The General Meeting may reject the nomination of a Supervisory Board member by an absolute majority of the votes cast by Shareholders representing at least one-third of the Company's issued share capital. If the General Meeting resolves to reject the nomination by an absolute majority of the votes cast, but this majority does not represent at least one-third of the Company's issued share capital, a new meeting can be convened where the nomination can be rejected by an absolute majority of the votes cast, irrespective of the part of the Company's issued share capital represented. If the General Meeting resolves to reject the recommendation, the Supervisory Board will then prepare a new nomination. If the General Meeting does not appoint the person nominated by the Supervisory Board and does not resolve to reject the nomination, the Supervisory Board will appoint the person nominated.

A member of the Supervisory Board is appointed for a maximum period of four years, and unless the member of the Supervisory Board resigns earlier, his or her appointment shall end on the day of the first General Meeting after expiry of the term of his or her appointment. The members of the Supervisory Board retire periodically in accordance with a rotation plan drawn up by the Supervisory Board. The Supervisory Board has adopted a profile (*profielschets*) of its size and composition, taking account of the nature of the business, its activities and the desired expertise and background of the members of the Supervisory Board. Each modification of the profile will be discussed in the General Meeting and with the Works Council. With each appointment of a member of the Supervisory Board, the profile must be taken into account. The Supervisory Board profile is published on and can be downloaded from the Company's website (http://www.deltalloyd.com).

The Supervisory Board may suspend a member of the Supervisory Board. The suspension will lapse by law if the Company has not submitted a petition to the Enterprise Chamber within one month after commencement of the suspension. The General Meeting can, by an absolute majority of votes cast, representing at least one-third of the issued share capital, resolve to abandon its trust (*het vertrouwen opzeggen*) in the entire Supervisory Board (except if the Supervisory Board consists of individuals appointed by the Enterprise Chamber). If the General Meeting passes such a resolution without a majority, a second meeting can be convened. At that meeting, confidence in the Supervisory Board can be withdrawn, again only with an absolute majority of votes cast, representing at least one-third of the issued capital. The resolution must be supported by arguments. If the resolution is approved, it results in the immediate dismissal of the Supervisory Board. A resolution to dismiss the Supervisory Board for lack of confidence cannot be adopted until the Executive Board has notified the Works Council of the proposal for the resolution and the reasons therefor. If the General Meeting dismisses the Supervisory Board members for lack of confidence, the Executive Board must request the Enterprise Chamber to temporarily appoint one or more Supervisory Board members. The resolution cannot be passed in respect of Supervisory Board members appointed by the Enterprise Chamber. The Supervisory Board member(s) appointed by the Enterprise Chamber take(s) action to the effect that, within the term stated by the Enterprise Chamber, a new Supervisory Board is composed in accordance with the provisions of the Company's Articles of Association.

Only the Enterprise Chamber can dismiss a member of the Supervisory Board on grounds of neglect of duties, or other important reasons or a fundamental change of circumstances that results in the Company no longer being reasonably required to maintain the person as a member of the Supervisory Board.

The Supervisory Board Members are assessed on their integrity and suitability by the competent Dutch regulator, see "*Supervision and Regulation-Dutch Regulatory Framework-Oath*".

Members of the Supervisory Board

As at the date of this Prospectus, the Supervisory Board is composed of the following six persons and two vacancies:

R.A. (Rob) Ruijter (1951)	Mr. Ruijter, the chairman of the Supervisory Board, has Dutch nationality. He was appointed as member of the Supervisory Board in 2014 and has been chairman since 1 October 2015. His current term expires in 2018. Mr. Ruijter is an independent Supervisory Board member within the meaning of the DCGC. He is the former Managing Director and Chief Financial Officer of KLM—Royal Dutch Airlines, former Director of Finance of Philips Group and former CEO of VNO N.V. (the Nielsen Company). Besides being a member of the Supervisory Board, other positions currently held by Mr. Ruijter include membership of the supervisory board of Wavin N.V. and membership of the supervisory board of ZIGGO N.V. In addition, Mr. Ruijter is a non-executive director of Immarsat plc and Interxion N.V.
E.J. (Eric) Fischer (1946)	Mr. Fischer, the vice-chairman of the Supervisory Board, has Dutch nationality. He was appointed in 2006 and his current term expires in

2018. Mr. Fischer is an independent Supervisory Board member within the meaning of the DCGC. He was appointed as vice-chairman in 2008. Mr. Fischer is a Supervisory Board member who holds the trust of the Works Council. He is a Dean of the faculty of Social and Behavioural Sciences and Professor of the faculty of Economics and Business at the University of Amsterdam. Mr. Fischer is a former chief executive officer of Comité Européen des Assurances, a former chief executive officer of the Dutch Association of Insurers and a former member of the international commission on Holocaust Era Insurance Claims.

J.G. (Jan) Haars (1951)	Mr. Haars has Dutch nationality. He was first appointed in 2006 and his current term expires in 2018. Mr. Haars is an independent Supervisory Board member within the meaning of the DCGC. He is also a member of the supervisory board of AVG Technologies N.V., member of the supervisory board of Nuon N.V., chairman of the supervisory board of Rabobank Amsterdam and chairman of the Dutch National Ballet Fund. Mr. Haars is a former member of the management board and chief financial officer of Corio N.V. and former member of the management board and chief financial officer of TNT N.V.
S.G. (Fieke) van der Lecq (1966)	Ms. Van der Lecq has Dutch nationality. She was first appointed in 2010 and her current term expires in 2018. Ms. Van der Lecq is an independent Supervisory Board member within the meaning of the DCGC. In addition, Ms. Van der Lecq is a Professor of Pension Markets at Vrije Universiteit Amsterdam. She is also a member of the supervisory board of Syntrus Achmea Real Estate & Finance. In addition, her positions include Crown member of Social Economic Council of the Netherlands (“SER”), chairman of the supervisory board for the Confectionery Industry pension fund and chairman of the supervisory board of the Robeco pension fund.
C.C.F.T. (Clara) Streit (1968)	Ms. Streit has German and US nationality. She was appointed in 2013 and her current term expires in 2017. Ms. Streit is an independent Supervisory Board member within the meaning of the DCGC. She is former partner of McKinsey & Company Inc. in Munich and Frankfurt. Besides being a member of the Supervisory Board, other positions currently held by Ms. Streit include the membership of the board of directors of Vontobel Holding AG, Vontobel Bank AG and she is a member of the supervisory board of Vonovia SE. Ms. Streit is a member of the board of directors of Jerónimo Martins SGPA and member of the board of directors, Unicredit S.p.A.
A.A.G. (André) Bergen (1950)	Mr. Bergen has Belgian nationality and was appointed as a member of the Supervisory Board in 2014. His current term expires in 2018. Mr. Bergen is an independent Supervisory Board member within the meaning of the DCGC. Mr. Bergen is the former CEO of KBC Bank, the former CEO of the KBC Group in Belgium and a former member of the board of Fortis Bank. His current positions include supervisory board memberships of Cofinimmo NV and Sapient Investment Management.

The Company’s registered address at Amstelplein 6, 1096 BC Amsterdam, the Netherlands serves as the business address for all members of the Supervisory Board.

Potential conflict of interest

The Company is not aware of any potential conflicts between any duties of the members of the Supervisory Board and their private interests and/or other duties. There is no family relationship between any member of the Supervisory Board or the Executive Board.

Other information in relation to members of the Supervisory Board

The Company is not aware of: (a) any convictions of members of the Supervisory Board for fraudulent offences in the last five years; (b) any bankruptcies, receiverships or liquidations of any entities with which members of the Supervisory Board were associated in the last five years; or (c) any official public incrimination or sanctions of any members of the Supervisory Board by statutory or regulatory authorities (including designated professional bodies) or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.

Supervisory Board Committees

General

The Supervisory Board has established from among its members four committees: the Audit Committee, the Risk Committee, the Nomination Committee and the Remuneration Committee. The function of these committees is to prepare the discussion and decision-making of the Supervisory Board. The Supervisory Board does not have any additional permanent committees.

Audit Committee

This committee prepares decisions of the Supervisory Board on matters within the remit of the committee, although the plenary Supervisory Board remains collectively responsible for the fulfilment of the duties delegated to the committee. The Audit Committee advises the Supervisory Board on such matters as financial reporting, internal risk management and control systems, the role and functioning of internal auditing, and the application of information and communication technology (ICT). The Audit Committee meets at least four times a year, and at least one of its meetings relates to the closing of the financial year and the preparation of the financial statements and annual report. At the request of the Audit Committee, its meetings may be attended by the chairman of the Executive Board, the chief financial officer, the external auditor and/or the Director of Internal Audit and/or the Director of Group Integrity and/or the Director of Group Finance & Control.

The Audit Committee consists of four members: Mr. J.G. Haars (chairman), Mr. R.A. Ruijter, Ms. S.G. van der Lecq and Mr. A.A.G. Bergen.

Risk Committee

This committee prepares decisions of the Supervisory Board on matters within the remit of the committee, although the plenary Supervisory Board remains collectively responsible for the fulfilment of the duties delegated to the committee. The Risk Committee advises the Supervisory Board on such matters as the risk profile, the risk strategy, the ERM policy and capital. The Risk Committee meets at least four times a year and as often as required to ensure the proper functioning of the Risk Committee. One member of the Executive Board shall be present at all meetings of the Risk Committee. At the request of the Risk Committee, the chairman of the Executive Board, the chief risk officer, the chief financial officer, the head of GARM and/or the head Group Integrity will attend its meetings. In addition, independent experts can be invited to attend meetings of the Risk Committee. Each member of the Supervisory Board may attend the meetings of the Risk Committee. The Risk Committee may require any officer or employee of the Company, its external legal advisers or the external auditor to attend a meeting of the Risk Committee or to consult with members or advisers of the Risk Committee.

The Risk Committee consists of four members: A.A.G. Bergen (Chairman), S.G. van der Lecq, E.J. Fischer and R.A. Ruijter.

Nomination Committee

The committee's standard duties include the evaluation process of the Supervisory Board, the assessment of the Executive Board, the preparation of appointments, Supervisory Board and Executive Board succession planning and corporate governance monitoring. The Nomination Committee meets at least twice a year and as often as required for a proper functioning of the Nomination Committee. A member of the Executive Board shall attend all meetings of the Nomination Committee. An Executive Board member shall however not attend meetings of the Nomination Committee where his own reappointment, functioning or acceptance of another supervisory directorship is discussed. At the request of the Chairman of the Nomination Committee, the head of Human Resources Management and/or independent experts may be invited to attend meetings of the Nomination Committee. Each member of the Supervisory Board may attend meetings of the Nomination Committee.

The Nomination Committee consists of four members: Ms. C.C.F.T. Streit (chairman), Mr. A.A.G. Bergen, Mr. E.J. Fischer and Mr. R.A. Ruijter.

Remuneration Committee

This committee's standard duties include assessing the achievement of the Executive Board's performance targets and setting targets for short-term and long-term incentives. The plenary Supervisory Board remains collectively responsible for the fulfilment of the duties delegated to the committee. The Remuneration Committee meets at least twice a year and as often as required for its proper functioning. The Chairman of the Executive Board shall attend all meetings of the Remuneration Committee. The Executive Board Chairman shall not however attend meetings of the Remuneration Committee where his own remuneration is discussed. At the request of the Chairman of the Remuneration Committee, the director of Human Resources Management and/or independent experts may be invited to attend meetings of the Remuneration Committee. Each member of the Supervisory Board may attend meetings of the Remuneration Committee.

The Remuneration Committee consists of four members: Mr. E.J. Fischer (chairman), Mr. J.G. Haars, Mr. R.A. Ruijter and Ms. C.C.F.T. Streit.

Equity Holdings

At the date of this Prospectus, no member of the Executive Board or the Supervisory Board holds any Ordinary Shares or any options over such Ordinary Shares, other than as described below and in "—*Remuneration—Remuneration Policy for the Executive Board*".

Two members of the Executive Board hold Ordinary Shares. Ingrid de Graaf holds 16,186 Ordinary Shares and Annemarie Mijer-Nienhuis holds 1,375 Ordinary Shares.

Leon van Riet who will be appointed as a member of the Executive Board on 19 May 2016, holds 9,465 Ordinary Shares.

None of the members of the Supervisory Board holds any Ordinary Shares.

Ingrid de Graaf, Annemarie Mijer-Nienhuis and Leon van Riet have expressed their intention to participate in the Offering by exercising the Rights they will be granted in connection with the Ordinary Shares they hold, subject to applicable laws and regulations.

Hans van der Noordaa and Clifford Abrahams do not hold any Ordinary Shares as of the date of this Prospectus, but have expressed their intention to purchase Ordinary Shares upon or shortly after ex-rights trading on Euronext Amsterdam, subject to applicable laws and regulations.

Remuneration

This paragraph sets out the Company's remuneration policy for members of the Executive Board and Supervisory Board and the remuneration paid to current and former members of the Executive Board and Supervisory Board in the financial year ended 31 December 2015 and financial years ended 31 December prior to 2015, as indicated in the tables below.

Please also refer to "*Supervision and Regulation—Dutch Regulatory Framework—General—Remuneration*" for a description of applicable rules and regulations concerning the remuneration of the members of the Executive Board and Supervisory Board.

General

Within the Company, the Executive Board is responsible for determining the Group-wide remuneration policy, except for its own remuneration, which is proposed by the Supervisory Board (following preparations by the Remuneration Committee) and approved by the General Meeting.

The remuneration package for Executive Board members has three components: the base salary, a variable incentive plan and a pension plan. The remuneration policy refers to both current and former members of the Executive Board. The remuneration costs are not allocated to the business unit and are part of the Group's annual results.

The base salary and variable incentive plan together form the total direct compensation. To determine whether the total direct compensation is in reasonable proportion to the remuneration policy, an external party carries out a survey every two years. The benchmark survey compares the compensation of the Executive Board members—both base and variable remuneration—against relevant external markets: a peer group of financial institutions and one for comparable businesses (a cross-industry group). The composition of the reference groups also takes into account the international context. The cross-industry group includes both Dutch and international companies. Selection of the appropriate remuneration level for the Company's Executive Board is guided by the median of the two peer groups.

Base Salary

The base salary of the Executive Board was amended in 2015 due to new legislation governing variable remuneration for the financial sector in the Netherlands. The base salary was adjusted on an average base/variable conversion of 37% (as adopted by the General Meeting on 23 May 2013) to compensate for the reduction in variable remuneration. The Supervisory Board, on advice of the Remuneration Committee, decided to pay the reduction of variable remuneration exclusively by granting Ordinary Shares, and not to apply any regular salary increase.

Variable incentive plans

On 31 December 2015, there were two types of variable incentive plans in force at the Company: the former long-term Delta Lloyd Phantom Option Plan and the Variable Incentive Plan (the Performance Share Plan 2010 is closed and fully paid in 2013).

Phantom options were granted to members of the Executive Board from 2006 to 2009. No grants have been made under this plan since 2009. The phantom options 2006, 2007 and 2008 have already expired. The phantom options 2009 will expire by the end of 2016.

Variable Incentive Plans were introduced in 2011 and comprised 50% cash and 50% shares until 2012. No options were granted. In 2013, the General Meeting adopted a proposal to change the remuneration policy to bring it closer in line with the Company's risk appetite and culture. Since 2013, the conditional grant on the Variable Incentive Plan is entirely in shares (deferred payments for performance years 2011 and 2012 are still made 50% in cash and 50% in shares). The variable incentive for the Executive Board as a percentage of the base salary was adjusted from 100% at ambition level to 50% in 2014 (and from 150% to 75% at outperformance level). In 2015, due to legislative changes the variable incentive for the Executive Board as a percentage of the base salary was adjusted to 20% of base salary ambition level as well as outperformance level.

Half of the variable remuneration vests at the end of the performance period (immediate variable remuneration) and the rest is vested in three equal tranches, over a period of three years (deferred variable remuneration), subject to a negative adjustment based on the ex-post risk analysis. Immediate and deferred variable remuneration is conditional on continued employment with the Company until the variable remuneration vests and is subject to certain risk management measures.

No variable remuneration is paid to members of the Executive Board for performance below the threshold. If the threshold is cleared, 12.5% of the variable remuneration will be awarded. Variable remuneration awarded at the conclusion of a performance period is capped at 20% of the base salary (outperformance level).

Lock-up

From the grant date, a five-year retention period applies to all shares granted to Executive Board members. After the shares vest unconditionally, they must be kept for a lock-up period of no less than two years and no more than four years. Half of the variable remuneration vests unconditionally directly at the end of the performance period, which is referred to as immediate variable remuneration. The other half is vested unconditionally in three equal tranches, over a period of three years, which is referred to as deferred variable remuneration, subject to a negative adjustment based on an ex-post risk analysis.

After the shares vest unconditionally the shares are paid by crediting the securities account of the relevant Executive Board member. The shares are subject to a lock-up period of five years following the grant date.

If the shares are unconditionally vested and payment thereof on the relevant securities account takes place in the same year as the end of the lock-up period, then the lock-up period is extended with one year with respect to the last tranche of vested shares. During the lock-up period, the shares cannot be traded, except that such part of the vested shares may be sold to satisfy tax or social security obligations resulting from the vesting.

Performance measures

The variable remuneration awarded is subject to the level of achievement of the set performance targets. At the end of the performance period a comparison is made between the performance targets set and the actual level of performance. On the basis of this comparison a variable remuneration percentage is fixed, subject to a negative adjustment based on the ex-ante risk analysis. The performance targets are specific, measurable and are formulated and communicated at the beginning of each year. The financial and non-financial targets are broken down on a 50%-50% basis and are based on the Company's strategy and long-term objectives. When the performance criteria are set, the various stakeholders are taken into account. The financial and non-financial targets for the financial year ended on 31 December 2015 and 2014, respectively, were as follows:

Financial targets

2015	2014
Business management objective (BMO) efficiency (operational expenses);	Business management objective (BMO) efficiency (operational expenses);
BMO Life Group (New Business Margin), BMO life individual (New Business Margin), BMO non-life (COR);	BMO Life (IRR), BMO Non-life (COR) and bank (result after tax and non-controlling interest)
Equity (Solvency II score at end of 2015);	Equity (Solvency I score at end of 2014);
Total shareholder return;	Total shareholder return;
New business (NAPI-life, non-life and new money third party)	New business (NAPI-life, non-life and new money third party)
Net Operational Result	Net Operational Result

Non-financial targets

2015	2014
Putting the customer first	Putting the customer first
Sustainable employee engagement	Sustainable employee engagement
Compliance management	Stimulation of the compliance culture

Given that new Dutch legislation caps variable remuneration at 20% of the fixed salary, the Remuneration Committee is reconsidering the number of performance targets that Executive Board members must achieve to qualify for variable remuneration.

In principle, the performance criteria for the Group-wide remuneration policy are a combination of criteria at Group, business unit and individual level. As the Executive Board has collective responsibility for the day-to-day management of the Company, individual performance targets for the Executive Board members represent around 15% of the overall target base while the remaining 85% are Group targets. Payment of variable remuneration is conditional on achieving the set performance targets during a performance period of one year.

Supplementary risk management measure methods of the Supervisory Board

The Supervisory Board has the authority to adjust or reclaim variable remuneration. The Supervisory Board may apply various supplementary risk management measures to the level of the remuneration. These measures are:

- A risk assessment to take into account adherence to ex-ante risk management objectives, such as those stated in the risk appetite statement.
- The ex-post analysis: a reassessment by Group Integrity conducted before the vesting date of the deferred variable remuneration. The results of this reassessment are submitted to the Supervisory Board and may result in a downward adjustment of deferred variable remuneration.
- Clawback: the Supervisory Board may recover all or part of any variable remuneration from the participant, even after vesting, if it proves to have been awarded on the basis of incorrect financial or other data or if, due to exceptional circumstances, the award cannot be justified as fair and equitable. This arrangement is in place for up to five years after the variable remuneration is granted.

Furthermore the Supervisory Board retains the right to adjust the variable incentive downwards if:

- there is evidence of misconduct or gross error by the eligible Executive Board member (for example, a breach of the code of conduct or other internal regulations);
- the Company suffers a significant decline in its financial performance;

- the Company suffers major failures of risk management;
- there are major changes in the economic or regulatory capital requirements; or
- it believes it would otherwise create an unfair or unintended result.

The Supervisory Board and Executive Board took steps to bolster risk awareness, compliance and internal governance at the Group, such as appointing a CRO to the Executive Board; setting a group-wide variable remuneration target on compliance awareness; strengthening the mandate of the group compliance director; and creating a comprehensive and mandatory risk analysis for decision-making throughout the organisation. Governance and compliance procedures were also tightened at DLAM. Furthermore, the Supervisory Board used its discretionary power to reduce the Executive Board's variable remuneration for 2012. The Supervisory Board opted to set the value of all four tranches of variable remuneration for 2012 to EUR 0. The variable compensation that board members had received in 2012 was deducted from a later payment in 2013, while the second, third and fourth installments in 2014, 2015 and 2016 were not paid out.

Pensions of the Executive Board

The members of the Executive Board participate in the Company's pension plan. There is a dedicated scheme for senior management and members of the Executive Board. New legislation in 2015 has reduced the maximum pension accrued to 1.875% (from 2.15%) of the full pensionable salary. The part of the pensionable salary above EUR 100,000 is based on a defined contribution scheme, which is accommodated by BeFrank. There are no pension arrangements for early retirement.

The pension plan for the Executive Board members is a defined benefit plan. This plan differs in certain respects from that for the employees and is as follows (in euros):

- the annual dependants' pension is 70% of the retirement pension; and
- the maximum insurable occupational disability pension is EUR 265,552 per year. The chairman of the Executive Board has a higher cover, EUR 577,262 compared to EUR 336,869 for the other Executive Board members.

Remuneration Policy for the Executive Board

Base salary and variable remuneration

Hans van der Noordaa has a base salary of EUR 950,000 and his variable remuneration is capped at 20% of his base salary. The base salary of the other members of the Executive Board (excluding Clifford Abrahams) is EUR 592,500, including holiday pay and a "13th month" , in cash and EUR 65,800 in Ordinary Shares. The number of Ordinary Shares is based on the average actual value of a single Ordinary Share during the first ten trading days of the applicable calendar year.

Clifford Abrahams base salary is EUR 856,859 and his variable remuneration is capped at 20% of the base salary. A sign-on bonus of up to EUR 828,000 has been granted, of which 50% will be paid in cash and 50% in Ordinary Shares, to bridge the gap between his salary at the Company and his remuneration for his former occupation.

Former CFO Emiel Roozen stepped down as member of the Executive Board on 3 August 2015 in the interests of the Company after a court ruling upheld DNB arguments for imposing a fine. No final agreement has been reached yet about the termination conditions.

The next tables show the base salary, variable remuneration and pension costs of current and former members of the Executive Board. The difference of EUR 32,700 compared to the agreed base salary of Hans van der Noordaa of EUR 950,000 is the result of a proportional payment of vacation allowance in May. The respective differences between the EUR 65,800 in Ordinary Shares as mentioned above and the respective amounts in the table are caused by the differences between the share price of an Ordinary Share at the grant date (EUR 15.48) and the payment date.

	Executive Board members' salaries and incentives		
	2015	**2014**	**2013**
	(EUR thousands)		
Hans van der Noordaa, chairman (from 1 January 2015)	**917.3**	**—**	**—**
Salary in cash	917.3	—	—
Paid variable remuneration in shares	—	—	—
Ingrid de Graaf (from 22 May 2014)	**802.2**	**352.7**	**—**
Salary in cash	592.5	352.7	—
Salary in shares	68.3	—	—
Paid variable remuneration in cash (VIP and Phantom options)	20.2	—	—
Paid variable remuneration in shares (VIP and PSP)	121.2	—	—
Annemarie Mijer-Nienhuis (from 21 May 2015)	**385.1**	**—**	**—**
Salary in cash	348.8	—	—
Salary in shares	36.3	—	—
Paid variable remuneration in shares	—	—	—
Emiel Roozen (until 3 August 2015)	**590.1**	**872.5**	**832.3**
Salary in cash(2)	345.6	613.7	592.5
Salary in shares	39.8	—	—
Paid variable remuneration in cash (VIP and Phantom options)	33.4	33.4	94.5
Paid variable remuneration in shares (VIP and PSP)	171.3	225.4	145.3
Onno Verstegen	**880.1**	**873.9**	**846.7**
Salary in cash	592.5	592.5	592.5
Salary in shares	68.3	—	—
Paid variable remuneration in cash (VIP and Phantom options)	33.4	33.4	98.7
Paid variable remuneration in shares (VIP and PSP)	185.9	248.0	155.5
Niek Hoek (chairman until 1 January 2015)	**—**	**1,179.3**	**1,271.5**
Salary in cash	—	800.0	800.0
Paid variable remuneration in cash (VIP and Phantom options)	—	45.2	164.3
Paid variable remuneration in shares (VIP and PSP)	—	334.1	307.2
Paul Medendorp (until 1 December 2014)	**—**	**839.3**	**954.7**
Salary(1)	—	556.5	592.5
Paid variable remuneration in cash (VIP and Phantom options)	—	33.4	121.9
Paid variable remuneration in shares (VIP and PSP)	—	249.4	240.3
Total compensation paid	**3,574.8**	**4,117.7**	**3,905.2**

(1) Including EUR 13.4 thousand holiday settlement in 2014.
(2) Including EUR 21.2 thousand work anniversary (12.5 years) in 2014.

	Pension expenses relating to members of the Executive Board		
	2015	**2014**	**2013**
	(EUR thousands)		
Hans van der Noordaa, chairman (from 1 January 2015)	168.5	—	—
Ingrid de Graaf (from 22 May 2014)	106.7	44.7	—
Annemarie Mijer-Nienhuis (from 21 May 2015)	60.5	—	—
Emiel Roozen (until 3 August 2015)	62.2	161.2	162.2
Onno Verstegen	119.6	161.2	162.2
Niek Hoek (chairman until 1 January 2015)	—	219.7	228.6
Paul Medendorp (until 1 December 2014)	—	147.7	162.2
Total	**517.5**	**734.5**	**715.2**

	Former Executive Board members' salaries, incentives and pension expenses		
	2015	2014	2013
		(EUR thousands)	
Niek Hoek (from 1 January 2015)	**1,654.4**	**—**	**—**
Transitional payment in cash (monthly until 30 June 2015)	427.5	—	—
Transitional payment in shares	46.1	—	—
Termination benefit	800.0	—	
Paid variable remuneration in cash	45.2	—	
Paid variable remuneration in shares	251.0	—	
Pension expense	84.6	—	—
Emiel Roozen (from 3 August 2015)	**319.9**	**—**	**—**
Transitional payment in cash	246.9	—	—
Transitional payment in shares	28.5	—	—
Pension expense	44.5	—	—
Henk Raué (from 1 April 2011)	**—**	**—**	**203.9**
Transitional payment (monthly until 1 March 2013)	—	—	57.1
Paid variable remuneration in shares	—	—	146.8
Paul Medendorp (from 1 December 2014)	**43.9**	**455.3**	**—**
Paid variable remuneration in cash	33.3	455.3	—
Pension expense	10.6	—	—
Total	**2,018.2**	**455.3**	**203.9**

Conditional shares

The table below presents information about shares granted to current and former Executive Board members under the Variable Incentive Plan but which they do not control. It presents information on conditional shares granted by year of remuneration, stating the number granted and the maximum number to be vested (this is the maximum number still attainable at 1 January 2016) as a result of achieving set targets or the discretionary decision of the Supervisory Board.

The Supervisory Board has decided to use its discretionary power to adjust downwards the second third and fourth tranches of variable remuneration 2012 to 0%, and to lower the variable remuneration for 2013 with a percentage matching the value of the first tranche of variable remuneration for 2012 for Executive Board members.

Ingrid de Graaf was appointed as an Executive Board member on 22 May 2014. Conditional shares granted until that date (including 2014) relate to her previous functions.

As noted above, the performance of the members of the Executive Board is based on whether they achieve the targets set at the start of the year. The Supervisory Board decided to follow the recommendation of the Remuneration Committee that no variable remuneration should be awarded for 2015 in view of the current situation of the Company.

	Conditional shares of Executive Board members and timing of payment (subject to performance conditions)[3]								
In number of shares	**Conditional granted**	**Maximum vesting**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Hans van der Noordaa	**—**	**—**					**—**	**—**	**—**
VIP 2015[1]	—	—					—	—	—
Ingrid de Graaf (from 22 May 2014)	**13,365**	**15,901**	**—**	**—**	**—**	**7,620**	**3,746**	**3,058**	**1,476**
VIP 2015[1]	—	—					—	—	—
VIP 2014	13,365	8,860				4,430	1,477	1,477	1,476
VIP 2013[2]	—	4,744	—	—	—	1,581	1,581	1,581	
VIP 2012[2]	—	1,378	—	—	—	690	688		
VIP 2011[2]	—	919	—	—	—	919			
Annemarie Mijer-Nienhuis (from 21 May 2015)	**—**	**—**					**—**	**—**	**—**
VIP 2015[1]	—	—					—	—	—
Onno Verstegen	**91,438**	**57,523**	**7,234**	**12,050**	**13,512**	**11,719**	**5,569**	**5,570**	**1,869**
VIP 2015[1]	—	—					—	—	—
VIP 2014	18,060	11,215				5,608	1,869	1,869	1,869
VIP 2013	25,972	22,202			11,101	3,700	3,700	3,701	
VIP 2012	23,040	5,413		5,413	—	—	—		
VIP 2011	17,347	14,467	7,234	2,411	2,411	2,411			
PSP 2010	7,019	4,226		4,226					
Total number held by all members	**104,803**	**73,424**	**7,234**	**12,050**	**13,512**	**19,339**	**9,315**	**8,628**	**3,345**

(1) The Supervisory Board has used the discretionary right to decide that no VIP 2015 will be paid.

(2) Grants made before Ingrid de Graaf became member of the Executive Board.

(3) Lock-up period of the shares ends on 1 January, five years after grant date (irrespective of the payment date).

	Conditional shares of former Executive Board members and timing of payment (subject to performance conditions)[1]								
In number of shares	**Conditional granted**	**Maximum vesting**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Emiel Roozen (until 3 August 2015)	**90,843**	**53,233**	**7,234**	**11,258**	**12,283**	**10,790**	**4,987**	**4,986**	**1,695**
VIP 2015[2]	—	—					—	—	—
VIP 2014	18,060	10,175				5,088	1,696	1,696	1,695
VIP 2013	25,972	19,744			9,872	3,291	3,291	3,290	
VIP 2012	23,040	4,981		4,981	—	—	—		
VIP 2011	17,347	14,467	7,234	2,411	2,411	2,411			
PSP 2010	6,424	3,866		3,866					
Niek Hoek (chairman until 1 January 2015)	**138,065**	**85,789**	**9,796**	**24,445**	**18,202**	**15,817**	**7,503**	**7,503**	**2,523**
VIP 2015[2]	—	—					—	—	—
VIP 2014	24,385	15,143				7,572	2,524	2,524	2,523
VIP 2013	35,067	29,874			14,937	4,979	4,979	4,979	
VIP 2012	31,104	6,724		6,724	—	—	—		
VIP 2011	23,492	19,592	9,796	3,265	3,265	3,266			
PSP 2010	24,017	14,456		14,456					
Paul Medendorp (until 1 December 2014)	**102,154**	**63,149**	**7,234**	**18,499**	**13,464**	**11,339**	**5,432**	**5,433**	**1,748**
VIP 2014	18,060	10,488				5,244	1,748	1,748	1,748
VIP 2013	25,972	22,106			11,053	3,684	3,684	3,685	
VIP 2012	23,040	5,413		5,413	—	—	—		
VIP 2011	17,347	14,467	7,234	2,411	2,411	2,411			
PSP 2010	17,735	10,675		10,675					
Total number held by former members	**331,062**	**202,171**	**24,264**	**54,202**	**43,949**	**37,946**	**17,922**	**17,922**	**5,966**

(1) Lock-up period of the shares ends on 1 January, five years after grant date (irrespective of the payment date).
(2) The Supervisory Board has used the discretionary right to decide that no VIP 2015 will be paid.

	Current and former Executive Board members' conditional share numbers and values					
	Granted number of shares	Value of grants in €1,000(2)	Awarded number to vest	Value of vested paid in €1,000(2)	Value of vested unpaid in €1,000(3)	Total (expected) value vested in €1,000
Hans van der Noordaa, chairman	—	—	—	—	—	—
VIP 2015(1)	—	—	—	—	—	—
Ingrid de Graaf (from 22 May 2014)	**13,365**	**219.2**	**15,901**	**121.3**	**45.0**	**166.3**
VIP 2015(1)	—	—	—	—	—	—
VIP 2014	13,365	219.2	8,860	70.0	24.1	94.1
VIP 2013(4)	—	—	4,744	25.2	17.2	42.4
VIP 2012(4)	—	—	1,378	11.2	3.7	14.9
VIP 2011(4)	—	—	919	14.9	—	14.9
Annemarie Mijer-Nienhuis (from 21 May 2015)	**—**	**—**	**—**	**—**	**—**	**—**
VIP 2015(1)	—	—	—	—	—	—
Onno Verstegen	**84,419**	**1,092.5**	**53,297**	**626.6**	**70.8**	**697.4**
VIP 2015(1)	—	—	—	—	—	—
VIP 2014	18,060	296.3	11,215	88.0	30.5	118.5
VIP 2013	25,972	296.3	22,202	263.5	40.3	303.8
VIP 2012	23,040	250.0	5,413	68.9	—	68.9
VIP 2011	17,347	250.0	14,467	206.2	—	206.2
Total of all members	**97,784**	**1,311.7**	**69,198**	**747.9**	**115.8**	**863.7**

(1) The Supervisory Board has used the discretionary right to decide that no VIP 2015 will be paid.
(2) Based on the calculated share price at grant date.
(3) Based on the share price of EUR 5.45 at 31 December 2015.
(4) All grants were made before Ingrid de Graaf became a member of the Executive Board. Therefore only the outstanding conditional grants at 31 December 2014 are included.

	Former Executive Board members' conditional share numbers and values					
	Granted number of shares	Value of grants in €1,000(2)	Awarded number to vest	Value of vested paid in €1,000(2)	Value of vested unpaid in €1,000(3)	Total (expected) value vested in €1,000
Emiel Roozen (until 3 August 2015)	**84,419**	**1,092.6**	**49,367**	**583.8**	**63.5**	**647.3**
VIP 2015(1)	—	—	—	—	—	—
VIP 2014	18,060	296.3	10,175	79.8	27.7	107.5
VIP 2013	25,972	296.3	19,744	234.4	35.8	270.2
VIP 2012	23,040	250.0	4,981	63.4	—	63.4
VIP 2011	17,347	250.0	14,467	206.2	—	206.2
Niek Hoek (chairman until 1 January 2015)	**114,048**	**1,475.0**	**71,333**	**827.9**	**95.4**	**923.3**
VIP 2015(1)	—	—	—	—	—	—
VIP 2014	24,385	400.0	15,143	118.8	41.2	160.0
VIP 2013	35,067	400.0	29,874	354.6	54.2	408.8
VIP 2012	31,104	337.5	6,724	78.1	—	78.1
VIP 2011	23,492	337.5	19,592	276.4	—	276.4
Paul Medendorp (member until 1 December 2014)	**84,419**	**1,092.5**	**52,474**	**622.2**	**68.7**	**690.9**
VIP 2014	18,060	296.3	10,488	82.3	28.6	110.9
VIP 2013	25,972	296.3	22,106	262.4	40.1	302.5
VIP 2012	23,040	250.0	5,413	68.9	—	68.9
VIP 2011	17,347	250.0	14,467	208.6	—	208.6
Total of former members	**282,886**	**3,660.1**	**173,174**	**2,034**	**227.6**	**2,261.5**

(1) The Supervisory Board has used the discretionary right to decide that no VIP 2015 will be paid.
(2) Based on the calculated share price at grant date.
(3) Based on the share price of EUR 5.45 at 31 December 2015.

The next table presents the conditional cash grant to (former) members of the Executive Board under the Variable Incentive Plan. Cash was only granted in the incentive plans until 2013, since then the entire grant is in Ordinary Shares.

	Conditional cash payments to current and former Executive Board members under the variable incentive plan and timing of payment (subject to performance conditions)						
	Granted	Maximum vesting	2012	2013	2014	2015	2016
	(EUR thousands)						
Ingrid de Graaf (from 22 May 2014)		**27.7**				**20.2**	**7.5**
VIP 2012		15.0				7.5	7.5
VIP 2011		12.7				12.7	
Onno Verstegen	**490.0**	**278.5**	**100.1**	**92.1**	**33.4**	**33.3**	**—**
VIP 2012	250.0	78.3		58.7	—	—	—
VIP 2011	240.0	200.2	100.1	33.4	33.4	33.3	
Total of all members	**490.0**	**306.2**	**100.1**	**92.1**	**33.4**	**53.5**	**7.5**

	Conditional cash payments to former Executive Board members under the variable incentive plan and timing of payment (subject to performance conditions)						
	Granted	Maximum vesting	2012	2013	2014	2015	2016
	(EUR thousands)						
Emiel Roozen (member until 3 August 2015)	**490.0**	**254.2**	**100.1**	**87.4**	**33.4**	**33.3**	**—**
VIP 2012	250.0	54.0		54.0	—	—	—
VIP 2011	240.0	200.2	100.1	33.4	33.4	33.3	
Niek Hoek (chairman until 1 January 2015)	**662.5**	**344.0**	**135.5**	**118.2**	**45.2**	**45.1**	**—**
VIP 2012	337.5	73.0		73.0	—	—	—
VIP 2011	325.0	271.0	135.5	45.2	45.2	45.1	
Paul Medendorp (member until 1 December 2014)	**490.0**	**258.9**	**100.1**	**92.1**	**33.4**	**33.3**	**—**
VIP 2012	250.0	58.7		58.7	—	—	—
VIP 2011	240.0	200.2	100.1	33.4	33.4	33.3	
Total of former members	**1,642.5**	**857.1**	**335.7**	**297.7**	**112.0**	**111.7**	**—**

Phantom Options

The intrinsic value of outstanding phantom options on 31 December 2015 was nil because the Company's share price of EUR 5.45 was lower than the exercise prices of the options granted in 2009. The remaining phantom options granted for 2008 expired without value. The phantom options granted for 2009 were exercised from 12 February 2015 to 15 April 2015 at a weighted average share price of EUR 17.44. During 2015, no other phantom options were exercised. The characteristics and the number of outstanding phantom options on 31 December 2015 were as follows:

	Phantom options of current and former Executive Board members					
	Vesting date	Expiry date	Exercise price (in EUR)(1)	Number of options outstanding at 31 December 2014(1)	Number of options outstanding at 31 December 2015(1)	Total intrinsic value as at 31 December 2015 (in EUR)
Ingrid de Graaf(2)						
01- Jan-2012	31-Dec-2016	13.63	—	—	—	
01- Jan-2011	31-Dec-2015	22.10	16,467	—	—	
Onno Verstegen(3)						
01- Jan-2012	31-Dec-2016	13.63	32,995	32,995	—	
01- Jan-2011	31-Dec-2015	22.10	28,239	—	—	

(1) The number of options was adjusted based on the vesting percentages and on the conversion with regard to the change in the exercise price before and after the initial public offering.

(2) All options were granted in the period before Ingrid de Graaf was a member of the Executive Board. As a consequence, the upper limit was set at 90% of the 12-month salary.
(3) All options were granted in the period before Onno Verstegen was a member of the Executive Board. As a consequence, the upper limit was set at 90% of the 12-month salary, except for the year 2009, for which the upper limit was set at 110%.

Phantom options of former Executive Board members	Vesting date	Expiry date	Exercise price (in EUR)(1)	Number of options outstanding at 31 December 2014(1)	Number of options outstanding at 31 December 2015(1)	Total intrinsic value as at 31 December 2015 (in EUR)
Emiel Roozen (member until 3 August 2015)(2)						
2009	01-Jan-2012	31-Dec-2016	13.63	25,735	25,735	—
2008	01-Jan-2011	31- Dec-2015	22.10	27,285	—	—
Niek Hoek (chairman until 1 January 2015)						
2009	01-Jan-2012	31- Dec-2016	13.63	131,254	131,254	—
2008	01-Jan-2011	31- Dec-2015	22.10	153,412	—	—
Paul Medendorp (member until 1 December 2014)						
2009	01-Jan-2012	31- Dec-2016	13.63	—	—	—
2008	01-Jan-2011	31- Dec-2015	22.10	99,092	—	—

(1) The number of options was adjusted based on the vesting percentages and on the conversion with regard to the change in the exercise price before and after the public offering.
(2) All options were granted in the period before Emiel Roozen was a member of the Executive Board. As a consequence, the upper limit was set at 90% of the 12-month salary.

Shares held by the Executive Board

The members of the Executive Board are permitted to hold the Company's shares as a long-term investment. The table below presents information on the total number of shares the Executive Board members own, the shares they do not yet fully control (subject to lock up) and the number and value of shares released from lock up. All shares received by the Executive Board members as part of the Variable Incentive Plan from 2011 and onwards are still in lock up.

	Shares owned by current and former Executive Board members						
	Locked shares at 1 January 2015	Unlocked during 2015	Locked during 2015	Locked shares at 31 December 2015	Total unlocked shares at 31 December 2015	Total shares at 31 December 2015	Total shares at 31 December 2014
	In number of shares						
Hans van der Noordaa	—	—	—	—	—	—	—
Ingrid de Graaf (from 22 May 2014)	8,257	5,061	6,146	9,342	6,844	16,186	8,742
Annemarie Mijer-Nienhuis (from 21 May 2015)	—	—	1,375	1,375	—	1,375	—
Emiel Roozen (until 3 August 2015)	20,532	350	7,767	27,949	6,156	34,105	23,594
Onno Verstegen	21,575	515	8,246	29,306	6,552	35,858	24,728
Niek Hoek (until 1 January 2015)	38,074	4,764	9,626	42,936	9,344	52,280	89,215
Paul Medendorp (until 1 December 2014)	23,236	3,398	5,821	25,659	7,683	33,342	56,683
Total	**111,674**	**14,088**	**38,981**	**136,567**	**36,579**	**173,146**	**202,962**

Loans Executive Board

Subject to conditions applicable to all employees and clients, on 31 December 2015, the outstanding mortgage loan payable by a current member and two former members of the Executive Board was:

	Loans and advances to current and former Executive Board members					
	Outstanding at 31 December 2015	Average interest rate	Redemption in 2015	Outstanding at 31 December 2014	Average interest rate	Redemption in 2014
	(EUR thousands)					
Ingrid de Graaf	506.0	4.1%	—	506.0	4.1%	—
Niek Hoek (chairman until 1 January 2015)	797.8	2.4%	—	797.8	4.7%	—
Emiel Roozen (member until 3 August 2015)	523.5	2.2%	250.0	773.5	3.3%	151.5

Remuneration of the Supervisory Board

The remuneration policy for the Supervisory Board was adopted by the General Meeting in October 2009. The policy is in line with a peer group benchmark carried out by an independent remuneration expert. The members of the Supervisory Board are remunerated in accordance with their positions on the Supervisory Board. They are also paid for the committees they serve on and expenses incurred. No attendance fees are paid.

No bonuses, loans or mortgages are granted to current or former Supervisory Board members. They are not entitled to a pension or option plan, nor are they entitled to contractual severance payment on termination of service.

The table below presents the annual remuneration of the Supervisory Board members based on their function and the remuneration for committee members. As of 1 October 2015, Jean Frijns resigned as chairman of the Supervisory Board and was succeeded by Rob Ruijter on the same date.

	Remuneration of the Supervisory Board
Function	Remuneration in EUR
Chairman	75,000
Vice-chairman	60,000
Member	50,000
Committees	
Chairman of the Audit and/or Risk Committee	9,000
Member of the Audit and/or Risk Committee	6,000
Chairman of the Remuneration and/or Nomination Committee	9,000
Member of the Remuneration and/or Nomination Committee	5,000

In 2015, the members of the Supervisory Board received the following remuneration. The table below includes remuneration for former chairman Jean Frijns until 1 October 2015.

	Remuneration of the Supervisory Board			
	Remuneration	Committees	Expenses	Total
Rob Ruijter, chairman (from 1 October 2015)	56.3	21.2	0.2	77.7
Eric Fischer, vice-chairman	60.0	13.3	0.2	73.5
André Bergen	50.0	20.0	0.2	70.2
Jean Frijns (chairman until 1 October 2015)	56.3	8.2	1.0	65.5
Jan Haars	50.0	14.0	0.7	64.7
Fieke van der Lecq	50.0	12.0	0.2	62.2
Clara Streit	50.0	14.0	3.3	67.3
Total	**372.6**	**102.7**	**5.8**	**481.1**

Employees

The table below sets out the number of FTEs employed by the Group at 31 December 2015, 2014 and 2013:

Employees	Number of FTEs at 31 December 2015	Number of FTEs at 31 December 2014	Number of FTEs at 31 December 2013
		(number of FTEs)	
Permanent FTEs	4,129.8	5,029.7	5,182.2
Temporary FTEs	608.9	654.5	605.7
Total number of FTEs	**4,738.7**	**5,684.2**	**5,787.9**

The number of employees from 2013 to 2015 decreased as a result of a cost-saving programme. The number of employees for the years 2014 and 2013 includes Delta Lloyd Deutschland 184.9 FTE (2013: 191.1 FTE) and Delta Lloyd Bank Belgium 511.7 FTE (2013: 537.9 FTE).

The table below sets out the number of permanent FTEs employed by the Group per segment at 31 December 2015, 2014 and 2013.

Segment	Number of permanent FTEs at 31 December 2015	Number of permanent FTEs at 31 December 2014	Number of permanent FTEs at 31 December 2013
Life	1,206.2	1,480.1	1,511.8
General insurance	1,179.5	1,195.2	1,207.4
Bank	208.1	716.0	732.3
Asset management	140.5	158.7	177.2
Corporate and other activities	1,395.7	1,479.7	1,553.5
Total number of FTEs	**4,129.8**	**5,029.7**	**5,182.2**

The table below sets out the number of permanent FTEs employed by the Group per geographic location at 31 December 2015[(1)], 2014 and 2013.

Country	Number of permanent FTEs at 31 December 2015	Number of permanent FTEs at 31 December 2014	Number of permanent FTEs at 31 December 2013
The Netherlands	3,647.4	3,802.1	3,875.1
Belgium	482.5	1,044.9	1,118.1
Germany	0.0	182.7	189.0
Total number of FTEs	**4,129.8**	**5,029.7**	**5,182.2**

(1) The table reflects the number of permanent FTEs after the acquisition of Delta Lloyd Bank Belgium by Anbang, which acquisition was completed on 22 July 2015, and the acquisition of Delta Lloyd Deutschland by Athene, which acquisition was completed on 1 October 2015.

Employee incentive plans

Variable Incentive Plan-IS (Identified Staff)

The Company has an equity-settled incentive plan for Executive Board members, directors and managers in control functions and functions affecting the risk profile ("Identified Staff"). Their grant until 31 December 2012 is conditional and paid 50% in cash and 50% in shares. Their grant from 1 January 2013 onward is conditional and fully paid in shares. The conditional shares confer the right to a distribution of the Company's shares and may become unconditional after the respective vesting dates, depending on the achievement of set performance criteria and continued employment at the Company. Identified Staff other than the Executive Board members have a holding period of two years after the shares become unconditional. The holding period for the Executive Board is between two and four years depending on the vesting date.

Variable Incentive Plan-OM (Other Managers)

The Company has a cash-settled incentive plan for other managers who are not Identified Staff. Their grant until 31 December 2012 is paid 50% in cash and 50% in conditional phantom shares. From 1 January 2013 their grant is fully in conditional phantom shares. The conditional phantom shares confer the right to a distribution in cash. There is no right to dividend phantom shares while the phantom shares have not yet vested and the pay-out is 50% after the remuneration year and 50% is paid in equal instalments in the three subsequent years. This pay-out depends on achieving set performance criteria and continued employment at the Company.

Trade Union Relations, Works Council And Pension Schemes

Trade Union Relations

In December 2014, the Company and the trade unions FNV, CNV and De Unie finalised a new three-year collective labour agreement ("CLA") and Social Plan with retroactive force as of 1 January 2014 until 1 January 2017. This three-year period is remarkably long in the current climate. It provides for a 2% wage increase and other employee benefits. For the first time, the Works Council and internal trade union representatives took part in the exploratory talks. Lifelong employability and leadership—both issues that attracted criticism from the trade unions—were discussed more openly and at great length. Drawing on the input from these talks, the Company defined further actions. After each consultation, the Company communicated the outcomes via its intranet, which resulted in a transparent process. The negotiations lasted about one year.

The new Social Plan also includes arrangements for employees aged over 60 who may be affected by a reorganisation. They may now choose whether they want to participate in a programme to find another suitable job or continue working on various assignments at the Company until they reach the state retirement date (activity scheme). In 2015, the Company set up an Activity Pool for this purpose. In addition, the Company introduced a preventive mobility programme. Six months before officially announcing a reorganisation, the Company will notify employees of the probability so they can start considering their future sooner. The managers of the Company will help them to take measures that boost their chances of finding an alternative job, such as attending courses, doing an internship, taking part in a project or learning on the job.

Works Council

Within the Group there is one works council. There are four additional works council committees (*onderdeel Commissie*) to represent the various business units.

A works council is an independent employee-sided body of the employees of a Dutch enterprise and is elected by the employees. The works council has its legal basis in the Works Council Act. The Works Council consults with the management board on the companies' economic and social policy and in particular on the employees' interests therein. The management board of any company that runs an enterprise with a works council must seek the advice of the works council before implementing certain decisions with respect to the enterprise, such as those related to a major restructuring, a change of control or the appointment or dismissal of a member of the management board (Right of Advice). If the decision to be implemented is not in line with the advice of the works council, the implementation of the relevant decision must be suspended for one month, during which period the works council must appeal against the decision at the Enterprise Chamber (Right of Appeal). Certain other decisions directly involving employment conditions that apply either to all employees or to certain groups of employees may only be taken with the works council's consent (Right of Approval). In the absence of such prior consent, the decision may nonetheless be taken with the prior consent of the sector Cantonal of the District Court.

The current relation between the employer and Works Council is constructive. And they cooperate in restructurings and managing their impact.

Pension Schemes

All employees of the Company must participate in the Company's pension scheme. The retirement age is 67 and the maximum of pensionable salary is EUR 100,000. Aim of the pension scheme (Second Pillar) is an old age pension of 70 % of the average career salary (career average system). The scheme also provides in a partner and orphans pension and a premium waiver in case of disability.

The pension contributions are partly paid by the employee (1/3) and the employer (2/3). Once pension commitments have been made they are safeguarded by the Pensions Act (*Pensioenwet*) and the contributions must be placed outside the Company. The Company established a company pension fund as safeguard (*Stichting Pensioenfonds Delta Lloyd*). The Company's pension fund is a separate legal entity.

For the pensionable salary above EUR 100,000 the Company has implemented a new net pension scheme (Third Pillar) in 2015. Employees may opt-out if required. This net pension scheme is based on a statutory net premium graduated scale and executed by BeFrank PPI.

Liability of Executive Board and Supervisory Board Members

Directors' and Officers' Insurance

Under Dutch law, the Executive Board members and Supervisory Board members may be liable to the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to the Company and to third parties for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The liability of Executive Board members, Supervisory Board members and other key corporate officers of the Company has been covered by a directors' and officers' liability insurance policy. This policy contains limitations and exclusions, such as for wilful misconduct or intentional recklessness (*opzet of bewuste roekeloosheid*).

The Company entered into an additional directors' and officers' insurance, the so-called A-side cover which only applies to Executive Board members and Supervisory Board members and which cannot be affected by claims against the Company.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of certain information concerning the Ordinary Shares, the Preference Shares A and the Protective Preference Shares B (collectively, the "Shares"), the articles of association of the Company (the "Articles of Association") and certain provisions of Dutch law which are applicable to the Company. This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with Dutch law and the Articles of Association, as in force on the date of this Prospectus (save where expressly indicated otherwise). The full text of the Articles of Association is incorporated by reference into this Prospectus and will be available free of charge for 12 months following the date of this Prospectus, in Dutch and in English, at the Company's head office and will continue to be available on the Company's website (see also "*General Information—Availability of Documents*"). In the event of any discrepancy between the Dutch version and the unofficial English translation, the Dutch version prevails.

General

The Company is a public limited liability company (*naamloze vennootschap*) incorporated and existing under Dutch law by a notarial deed dated 30 January 1968. The Company has its corporate seat in Amsterdam, the Netherlands and its registered office is at Amstelplein 6, 1096 BC Amsterdam, the Netherlands with the following telephone number: +31 (0)20 594 91 11. The Company is registered in the Commercial Register of the Chamber of Commerce (*Kamer van Koophandel*) under number 33121461.

The Offer Securities are subject to, and have been created under, Dutch law.

Corporate Objects

Pursuant to Article 3 of the Articles of Association, the Company's objects and purposes are to participate or to acquire interests in any other way in enterprises, to manage or exercise supervision of enterprises and to provide services to enterprises, with special reference to enterprises engaged in the insurance business or rendering other financial services and to perform all acts which directly or indirectly may be conducive to such objects.

Dutch Full Large Company Regime

The Dutch full large company regime (*volledig structuurregime*) applies to the Company. Companies to which the Dutch full large company regime applies are obliged by law to have a supervisory board or to have a one-tier board structure consisting of executive and non-executive directors pursuant to Section 2: 129a of the Dutch Civil Code. The general meeting appoints the members of the supervisory board upon a nomination of such member by the supervisory board. The general meeting may reject the nomination by an absolute majority of the votes cast by shareholders representing at least one-third of the issued share capital.

The general meeting and the works council both have a right of recommendation regarding the appointment of supervisory board members. One-third of the members of the supervisory board must be nominated on the basis of the enhanced recommendation (*versterkt aanbevelingsrecht*) of the works council. For these members of the supervisory board, the supervisory board can only object to the recommendation of the works council on the grounds that the recommended candidate is not suitable to fulfil the duties of a supervisory board member or that the supervisory board will not be properly composed if the nominated candidate would be appointed. For a more detailed description of the appointment of the Supervisory Board. See "*Executive Board, Supervisory Board and Employees—Supervisory Board*".

The supervisory board has extensive powers under the Dutch full large company regime. Major strategic and organisational decisions taken within a company require the approval of the supervisory board. The supervisory board is also charged with the appointment and dismissal of the members of the executive board. The supervisory board shall notify the general meeting and the works council of the intended appointment of a member of the executive board. The supervisory board shall only dismiss a member of the executive board after the general meeting and the works council have been given the opportunity to be heard about the proposed dismissal. See "*Executive Board, Supervisory Board and Employees—Executive Board*".

Composition of the Share Capital

Historic overview of the share capital

Set out below is an overview of the amount of the authorised share capital for the years 2013, 2014 and 2015 and the number of Shares outstanding in these years.

	31 December 2015		31 December 2014		31 December 2013	
	Authorised share capital (in EUR)	Outstanding Shares	Authorised share capital (in EUR)	Outstanding Shares	Authorised share capital (in EUR)	Outstanding Shares
Ordinary Shares	72,000,000	228,614,612	72,000,000	199,330,887	72,000,000	191,797,530
Preference Shares A	3,000,000	10,021,495	3,000,000	10,021,495	3,000,000	10,021,495
Protective Preference Shares B	75,000,000		75,000,000	—	75,000,000	—
Total	**150,000,000**		**150,000,000**		**150,000,000**	

Authorised share capital, issued share capital and current shareholdings

At the date of this Prospectus, the authorised share capital of the Company amounts to EUR 150,000,000, divided into:

- 360,000,000 Ordinary Shares with a nominal value of EUR 0.20 each;
- 15,000,000 Preference Shares A with a nominal value of EUR 0.20 each; and
- 375,000,000 Protective Preference Shares B with a nominal value of EUR 0.20 each.

At the date of this Prospectus, 228,614,612 Ordinary Shares are outstanding and fully paid up. Each Shareholder is entitled to cast one vote per share held. Certain specific rights of shareholders are contained in the Articles of Association. At the date of this Prospectus, no Protective Preference Shares B have been issued by the Company.

Fonds NutsOhra owns all outstanding 10,021,495 Preference Shares A, which are fully paid up. The Preference Shares A are convertible into Ordinary Shares. The conditions of conversion were determined upon the first issuance of the Preference Shares A and are set out in a subordinated convertible loan agreement dated 22 December 1999 between Fonds NutsOhra and the Company, as amended on 16 October 2009.

Under the subordinated convertible loan agreement dated 22 December 1999, Fonds NutsOhra is entitled to convert Preference Shares A into an equal number of Ordinary Shares during the maturity of the convertible loan agreement, subject to payment of a conversion price per share of EUR 30.84 (2014: EUR 30.94) minus the nominal value of the Preference Shares A of EUR 0.20. The conversion of Preference Shares A into Ordinary Shares is also subject to a maximum per year and an interval period of six months between the conversion of the first half of the Preference Shares A into Ordinary Shares and a subsequent (partial) conversion of Preference Shares A into Ordinary Shares. The conversion price will be amended in case of an issue of Ordinary Shares below the market price of the Ordinary Shares, by multiplying the conversion price with the outcome of the following formula:

$$\frac{(A \text{ x } p) + (B \text{ x } q)}{(A+B) \text{ x } p}$$

whereby

- A : the total issued capital immediately prior to the issue of the new Ordinary Shares divided by EUR 0.20;
- B : the total nominal value of all newly issued Ordinary Shares divided by EUR 0.20;
- p : a mathematical average from the daily volume weighted average price of one Ordinary Share on Euronext in Amsterdam; and
- q : the issue price of the new Ordinary Shares.

The total amount Fonds NutsOhra will have to pay in the event of a conversion will be deducted from the outstanding amount of the subordinated convertible loan.

On 6 November 2015, certain terms of the subordinated convertible loan agreement have been amended temporarily until ultimately 1 January 2019 to ensure grandfathering of the convertible loan under Solvency II for a period of three years. DNB has given its express consent to this amendment.

Foundation Continuïteit Delta Lloyd has a call option on all Protective Preference Shares B. When exercising the call option, Foundation Continuïteit Delta Lloyd is entitled to acquire Protective Preference Shares B up to a maximum that is equal to 100 per cent. of the Company's total issued and outstanding share capital, minus one share, which will entitle it to 49.9 per cent. of the voting rights after issuance.

In view of the anticipated number of Ordinary Shares to be issued in the Offering, the General Meeting resolved, in its extraordinary meeting held on 16 March 2016, to amend the Articles of Association, with the purpose of increasing the authorised capital on the basis of certain pre-determined criteria as set out in the convocation of documentation (including the number of Ordinary Shares to be issued in connection with the Offering taking into account the Issue Price). On 21 March 2016, the Executive Board resolved that the below will be included in the Articles of Association:

Type	Number
Ordinary Shares	912,365,110
Preference Shares	15,000,000
Protective Preference Shares B	927,365,110
Total	**1,854,730,220**

This amendment shall take effect from the moment Ordinary Shares are issued upon completion of the Offering pursuant to the execution of a deed of issue to that effect.

The increase of the number of Protective Preference Shares B is necessary for Foundation Continuïteit Delta Lloyd to, following exercise of its call option (as described under "*—Anti-Takeover Measures*"), safeguard that it will remain such number of Protective Preference Shares B that is equal to 100% of the Company's total issued and outstanding share capital, minus one share, immediately prior to the exercise of the call option.

According to the AFM register on substantial holdings, Norges Bank, J.H.H. de Mol, Highfields, Old Mutual plc, Fubon and Fonds NutsOhra are each a shareholder with a substantial interest (*substantiële deelneming*), a holding of at least 3% of the share capital and/or voting rights in the Company.

These substantial holdings are part of the free float.

None of the above-mentioned Shareholders or Fonds NutsOhra have any special voting rights.

On the date of this Prospectus, the Company holds 1,046,669 Ordinary Shares with a nominal value of EUR 0.20 each in treasury. The book value is EUR 9.456 per Ordinary Share. The Company, as holder of Ordinary Shares in treasury, will not be granted any Rights.

Depository receipts

The General Meeting may resolve, but only pursuant to a proposal by the Executive Board and approval by the Supervisory Board, that the Company cooperates in issuing depository receipts for shares. Holders of depository receipts issued with the Company's cooperation shall have the rights conferred upon them by law. At the date of this Prospectus, no such depository receipts for shares were issued.

Register of Shareholders

The Company's share capital is divided into Ordinary Shares, Preference Shares A and Protective Preference Shares B. All Shares are in registered form (*op naam*). No share certificates (*aandeelbewijzen*) will be issued. The Executive Board keeps a register in which the names and addresses of shareholders are recorded, showing the date on which the Shares were acquired, the date of acknowledgement by or serving on the Company and the amount paid up on each share. In addition, each transfer or passing of ownership is registered in the shareholder's register. The register also includes the names and addresses of persons holding certain rights *in rem* (usufructuaries (*vruchtgebruikers*) and pledgees (*pandhouders*)) in respect of such shares.

Issue of Shares

At the proposal of the Executive Board, with approval of the Supervisory Board, the General Meeting may resolve to issue shares, to grant rights to subscribe for shares and to restrict and/or exclude statutory pre-emptive rights in relation to the issuance of shares or the granting of rights to subscribe for shares, unless the Executive Board is designated thereto pursuant to a resolution of the General Meeting. A resolution of the General Meeting to issue shares can only be adopted with an absolute majority. A resolution to issue Preference Shares A requires the approval of the meeting of holders of Preference Shares A, regardless of which body has the authority to issue Preference Shares A. In the event of an issue of Protective Preference Shares B by a body other than the General Meeting, a General Meeting shall be convened, to be held not later than 20 months after the date on which the Protective Preference Shares B were issued for the first time. See "*—Anti-Takeover Measures*" for a more detailed description of the issue of Protective Preference Shares B.

The General Meeting may also, on the proposal of the Executive Board approved by the Supervisory Board, designate the Executive Board as the competent corporate body to resolve to issue Shares. Pursuant to Article 7.3 of the Articles of Association, this designation may be granted to the Executive Board for a period of not more than five years. The Executive Board may, following such designation, issue Shares subject to the approval of the Supervisory Board. The designation may be extended from time to time by the General Meeting, for a period not exceeding five years. Unless the designation provides otherwise, it may not be withdrawn. The resolution designating such authority to the Executive Board must specify the number of Shares which may be issued and, if applicable, any conditions to the issuance.

On 21 May 2015, the General Meeting resolved to designate the Executive Board, with the approval of the Supervisory Board, as the competent body to issue Ordinary Shares and to grant rights to subscribe for Ordinary Shares for a period of 18 months. In its resolution, the General Meeting resolved to restrict the competency of the Executive Board as regards to the issue of Ordinary Shares to a maximum of 10% of the issued share capital at 21 May 2015 plus 10% of the issued share capital at 21 May 2015 in the event of an issue in the context of (the financing of) a merger, acquisition or joint venture by the Company of one of its subsidiaries. This limitation does not apply to the power of the Executive Board to pay out an interim dividend in the form of Ordinary Shares as defined in Article 44.10 of the Articles of Association.

On 16 March 2016, the General Meeting authorised the Executive Board as the competent body to, subject to the approval of the Supervisory Board, grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights of Shareholders in relation to the Offering. As a result, the designations set out in the preceding paragraphs remain available.

On 16 March 2016, the Executive Board resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders in relation to the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolution of the Executive Board on 16 March 2016.

Pre-emptive Rights

Upon issuance of Ordinary Shares, each Shareholder has a pre-emptive right (*wettelijke voorkeursrecht*) in proportion to the aggregate nominal value of its Ordinary Shares. Shareholders do not have a pre-emptive right upon the issuance of Preference Shares A or Protective Preference Shares B. Furthermore, no pre-emptive right exists in respect of (i) shares that are issued for a consideration other than in cash, (ii) shares issued to employees of the Company or any company belonging to the Group or (iii) shares issued to persons exercising a previously granted right to subscribe for shares.

At the proposal of the Executive Board, with approval of the Supervisory Board, the General Meeting may resolve to limit or exclude the pre-emptive rights, which resolution requires an absolute majority of the votes. A resolution of the General Meeting to limit or exclude pre-emptive rights requires an absolute majority if at least half of the issued share capital is present or represented at the General Meeting at which such a resolution is put to vote (failing which the resolution requires a two-thirds majority). The General Meeting may also designate the Executive Board, with approval of the Supervisory Board, to resolve to limit or exclude the pre-emptive rights. This designation may be granted to the Executive Board for a specified period of time of not more than five years and only if the Executive Board has also been designated or is simultaneously designated the authority to resolve to issue Shares. The designation may be extended for no longer than five years at a time and only applies as long as the designation to issue Shares is in force.

The issue that is subject to pre-emptive rights and the period during which these rights can be exercised shall be announced in the manner as stated in the Articles of Association. The pre-emptive rights can be exercised during a period of at least two weeks following the day of announcement.

On 21 May 2015, the General Meeting designated the Executive Board as the competent body to limit the pre-emptive rights of holders of Ordinary Shares. This designation was given for a period of 18 months, from 21 May 2015 to 21 November 2016. In its resolution, the General Meeting restricted the competency of the Executive Board as regards the limitation of pre-emptive rights of holders of Ordinary Shares to the authorisation it gave to the Executive Board to issue Ordinary Shares.

On 16 March 2016, the General Meeting authorised the Executive Board as the competent body to, subject to the approval of the Supervisory Board, grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights of Shareholders in relation to the Offering. As a result, the designations set out in the preceding paragraphs remain available.

On 16 March 2016, the Executive Board resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights of Shareholders in relation to the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolution of the Executive Board on 16 March 2016.

Repurchase of Shares

Under Dutch law, listed public limited liability companies are permitted to repurchase their own shares up to a maximum of 50% of the nominal amount of the total issued share capital. Accordingly, pursuant to Article 12.2 of the Articles of Association, the Company may acquire fully paid-up Shares, provided that either no valuable consideration is given or (i) the distributable part of the shareholders' funds is at least equal to the purchase price; and (ii) the nominal value of the Shares to be acquired, and of the Shares already held or held in pledge by the Company and its subsidiaries, does not exceed 50% of the issued share capital. Pursuant to Article 12.3 of the Articles of Association, acquisition of Shares by the Company in a way other than for no consideration can only take place if the General Meeting has authorised the Executive Board to this effect. In this authorisation, the General Meeting must specify the number of Shares that may be acquired, the manner in which the Shares may be acquired and the price limits within which the Shares may be acquired.

On 21 May 2015, the General Meeting resolved to authorise the Executive Board to acquire Ordinary Shares or depository receipts up to a maximum of 10% of the issued capital for a term of 18 months. This authorisation ends on 21 November 2016. The acquisition price must be between the nominal value of an Ordinary Share and the quoted price of an Ordinary Share plus 10%. The quoted price is defined as the average of the closing prices of an Ordinary Share as reported in the official price list of Euronext in Amsterdam over the five trading days prior to the acquisition date.

Subject to the approval of the Supervisory Board, the Executive Board may resolve to transfer Shares acquired by the Company. No pre-emptive right shall exist in respect of such transfer.

The Company cannot derive any right to any distribution from Shares acquired by the Company. Furthermore, no voting rights may be exercised for any share held by the Company or a subsidiary, unless the Shares were encumbered with a right of usufruct or a pledge in favour of a party other than the Company or a subsidiary before such Shares were acquired by the Company or a subsidiary, in which case, the other party may be entitled to exercise the voting rights on the Ordinary Shares. The Company may not exercise voting rights for Shares in respect of which the Company or a subsidiary has a right of usufruct or a pledge.

Capital Reduction

At the proposal of the Executive Board, with approval of the Supervisory Board, the General Meeting may resolve to reduce the issued share capital (i) by cancellation of Shares; or (ii) by reducing the nominal value of Shares by an amendment to the Articles of Association. A resolution to cancel Shares can only relate (a) to Shares held by the Company or for which it holds the depositary receipts; or (b) if repayment is made, to all Preference Shares A or all Protective Preference Shares B. A resolution of the General Meeting to reduce the issued share capital of the Company requires an absolute majority if at least half of the issued share capital is present or represented at the General Meeting at which such a resolution is put to a vote (failing which the resolution requires a two-thirds majority).

Furthermore, on 1 January 2014, Section 3: 97 of the Dutch Financial Supervision Act came into force in the Netherlands. This section provides that an insurance company is required to obtain a declaration of no objection from DNB if the insurance company wants to reduce its own funds by means of (a) repayment of capital, or (b) pay-out of reserves, while the insurance company does not meet certain solvency requirements (i) at the date of distribution or (ii) when it is foreseeable that the insurance company will not meet these requirements in the coming 12 months.

A reduction in the number of Shares without repayment and without release from the obligation to pay up the Ordinary Shares shall take place proportionally on Shares of the same class. The requirement of proportion may be foregone with the consent of all concerned Shareholders. Partial repayment on Shares or release from the obligation to make payments will only be possible for the purpose of execution of a resolution to reduce the nominal value of the Ordinary Shares.

Transfer of Shares and Transfer Restrictions

The Shares are in registered form. The transfer of an Ordinary Share or of a restricted right thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the deed of transfer.

Pursuant to the Dutch Securities Giro Transfers Act (*Wet giraal effecten verkeer*) if an Ordinary Share is transferred for inclusion in a collective deposit (*verzameldepot*), the transfer will be accepted by the intermediary concerned. If an Ordinary Share is transferred for inclusion in the giro deposit, the transfer will be accepted by the central institute, being Euroclear Nederland. The deposit share may be recorded in the Company's shareholders' register in the name of the relevant intermediary or Euroclear Nederland, stating in writing that it is a deposit share. Deposit shareholders are not recorded in the Company's shareholders' register. Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Giro Transfers Act and with the approval of the Executive Board. The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Dutch Securities Giro Transfers Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights. The transfer and acceptance of Ordinary Shares in a collective deposit or the giro deposit, respectively, can be effected without the cooperation of the other participants in a collective deposit or the giro deposit, respectively.

Any transfer of Preference Shares A requires the approval of the Executive Board (in consultation with the Supervisory Board). The approval must be in writing and include the name and address of the intended acquirer.

Executive Board and Supervisory Board Indemnity

Members of the Executive Board and Supervisory Board are protected from certain liabilities arising in the course of their service through an indemnity clause included in Article 31 of the Articles of Association. The Company indemnifies every member of the Executive Board and the Supervisory Board and holds them harmless from and against any liability and all claims, decisions, penalties and loss that the relevant member of the Executive Board or the Supervisory Board has suffered in connection with imminent, pending or terminated actions, investigations or other civil, criminal or administrative proceedings initiated by a party not being part of the Group, as a result of acts or omissions in their capacity as a member of the Executive Board or Supervisory Board or a related capacity.

The Company shall reimburse all costs (including reasonable attorney's fees and procedural costs) that the member of the Executive Board or the Supervisory Board had to bear in connection with any proceedings referred to above, but only upon receipt of a written undertaking by the relevant member of the Executive Board or the Supervisory Board that he or she will repay such costs if a competent court establishes that he or she is not entitled to be reimbursed in this manner. Costs include any taxes payable by a member of the Executive Board or the Supervisory Board on the basis of the indemnification granted to them.

Reasonable attorney's fees and procedural costs incurred by members of the Executive Board or the Supervisory Board in connection with an action brought by a company belonging to the Group shall also be reimbursed by the Company, but only after receipt of a written undertaking by the relevant member of the Executive Board or the Supervisory Board that he or she shall repay such fees and costs if a competent court of last resort rules in favour of the company belonging to the Group.

Members of the Executive Board and the Supervisory Board shall not accept any personal financial liability vis-à-vis third parties and shall not enter into any advance pricing agreement in this respect without Delta Lloyd's prior written permission. The Company and the relevant member of the Executive Board or the Supervisory Board shall make reasonable efforts to cooperate in order to reach agreement on the manner of defence for any claim referred to above. If, however, Delta Lloyd and the relevant member of the Executive Board or the Supervisory Board fail to reach agreement, the relevant member of the Executive Board or the Supervisory Board shall follow all instructions given by Delta Lloyd at its own discretion.

Executive Board and Supervisory Board members are not indemnified to the extent that claims, decisions, penalties and loss relate to personal gain, benefits or fees to which the member was not entitled to at law, or if the member's liability on account of gross negligence (*grove nalatigheid*), wilful misconduct (*opzet*) or deliberate recklessness (*bewuste roekeloosheid*) has been established by a competent court of last resort.

General Meeting

The annual General Meeting shall be held in June at the latest following the end of each financial year. The purpose of the annual General Meeting is to discuss, *inter alia*, the annual report, the implementation of the remuneration policy, adoption of the annual accounts, the release of the members of the Executive Board from liability, the release of the members of the Supervisory Board from liability, reservations and the dividend policy and the distribution of dividends. General Meetings must be held in the municipality of Amsterdam.

Extraordinary General Meetings are held as often as the Executive Board or the Supervisory Board deems necessary, without prejudice to the provisions of Sections 2:108a, 2:110, 2:111 and 2:112 of the Dutch Civil Code, which are summarised in this paragraph.

The annual General Meetings and extraordinary General Meetings shall be convened by the Supervisory Board or the Executive Board by sending a convening notice to the shareholders and other persons holding Meeting Rights. The notice convening a General Meeting shall be given no later than the day prescribed by law (currently 42 days prior to the General Meeting).

In addition, pursuant to Section 2: 110 of the Dutch Civil Code, one or more shareholders, who jointly represent at least ten per cent (10%) of the issued share capital, may, on application, be authorised by the district court in preliminary relief proceedings to convene a General Meeting. Furthermore, within three months of it becoming apparent to the Executive Board that the equity of the Company has decreased to an amount equal to or lower than one-half of the issued and paid-up part of the capital, a General Meeting will be held to discuss any requisite measures. If no General Meeting has been held which was required to be held according to the Dutch Civil Code or the Articles of Association, any Shareholder is authorised to convene a General Meeting following a decision of the district court in summary proceedings to that effect.

All announcements for General Meetings shall take place by a notice made by electronic means, which shall be accessible directly and permanently up until the General Meeting is held without prejudice to the provisions of Section 2: 96a (4) of the Dutch Civil Code.

The notice of a General Meeting shall include the location and the time of the meeting, an agenda indicating the items for discussion and any proposals for the agenda. Shareholders representing solely or jointly at least the threshold as set by law (currently three per cent (3%) of the Company's issued share capital) have the right to request the Executive Board and the Supervisory Board to include subjects on the agenda of the General Meeting (or to announce those subject in the same manner). The Executive Board and the Supervisory Board shall agree to these requests, provided that the request or a proposed resolution was submitted in writing to the Executive Board or the Supervisory Board at least 60 days before the date of the General Meeting. No resolutions may be adopted on items other than those which have been included on the agenda, unless the resolution is adopted unanimously during a meeting where the entire issued capital of the Company is present or represented.

Shareholders who individually or with other shareholders, hold shares that represent at least one per cent (1%) of the issued share capital or are entitled to Shares or depository receipts for shares representing a value of at least EUR 250,000, may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting. The Company can only refuse disseminating such information, if received less than seven business days prior to the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it. These rules will only apply if the Company has made use of the investor identification possibility under the Dutch Securities Giro Transfers Act. For more detail, see *"—Identity of Shareholders"*.

The General Meeting shall be presided over by the chairman of the Supervisory Board who, even if present at the meeting, may appoint someone else to chair the meeting. Without the chairman of the Supervisory Board having appointed someone else to chair the meeting in the chairman's absence, the Supervisory Directors present will appoint one of their members as chairman. In the absence of all Supervisory Directors, the General Meeting itself shall appoint its chairman. The chairman shall appoint the secretary.

Admission to the General Meeting

Each Shareholder and each other person holding Meeting Rights shall be authorised, either in person or represented by a representative authorised in writing, to take part in the General Meeting, to address the meeting and, to the extent applicable, exercise his voting right. Shareholders may exercise these rights, if they are the holders of shares on the record date as required by the laws of the Netherlands, which is currently the 28^{th} day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the General Meeting in writing at the address and by the date specified in the notice of the meeting. The convocation notice shall state the record date and the manner in which the persons entitled to attend the General Meeting may register and exercise their rights. The auditors of the Company are also authorised to attend the General Meeting.

A Shareholder without the right to vote and a usufructuary or pledgee with the right to vote shall have the rights conferred by law upon the holders of Meeting Rights.

Those entitled to attend a General Meeting may be represented at a General Meeting by a proxy authorised in writing.

Members of the Executive Board and members of the Supervisory Board may attend a General Meeting. In these General Meetings, they have an advisory vote.

Voting Rights

Each Shareholder is entitled to cast one vote per Share held. The voting rights of the holders of Offer Shares will rank *pari passu* with each other and with all other Ordinary Shares.

Resolutions of the General Meeting are passed by an absolute majority of votes cast, unless the law or the Articles of Association explicitly prescribe a larger majority. Blank votes and invalid votes are deemed not to have been cast.

For the purposes of determining whether a specific part of the capital is represented at the General Meeting or whether a majority represents a specific part of the capital, the capital shall be reduced by the value of the Ordinary Shares for which Dutch law states that no voting rights can be exercised.

A Shareholder shall have the right to vote on Shares subject to a usufruct or pledge. However, the usufructuary or pledgee shall have the right to vote if so determined upon the establishment of the usufruct or pledge.

No voting rights may be exercised for any Share held by the Company or a subsidiary, unless the Shares were encumbered with a right of usufruct or a pledge in favour of a party other than the Company or a subsidiary before such Shares were acquired by the Company or a subsidiary, in which case, the other party may be entitled to exercise the voting rights for Shares in respect of which the Company or a subsidiary has a right of usufruct or a pledge. Furthermore, the Company or a subsidiary may not exercise voting rights for Shares in the capital of the Company in respect of which the Company or subsidiary has a right of usufruct or a pledge. No voting rights may be exercised for Shares for which the Company or a subsidiary holds the depositary receipts.

Annual Accounts

Annually, within four months after the end of the financial year, the Executive Board shall prepare the annual accounts and shall make them available free of charge for inspection by the shareholders at the offices of the Company. The Executive Board shall furthermore publish the annual accounts in a public register of the AFM following adoption thereof by the General Meeting and issue a press release announcing the publication of the annual accounts. The annual accounts must be accompanied by an auditor's statement, the annual report and certain other information required under Dutch law. The annual accounts shall be signed by the members of the Executive Board and the Supervisory Board.

The annual accounts, auditor's statement, annual report and other information required under Dutch law are present at the offices of the Company, as from the day the General Meeting is convened until the day of the General Meeting in which they will be discussed. The Shareholders and other persons holding Meeting Rights may inspect those documents there and obtain a copy free of charge. The annual accounts shall be adopted by the General Meeting and will be sent to the AFM within five days after adoption.

Within two months after the end of the first six months of the financial year, the Executive Board shall prepare the semi-annual financial reporting and shall make it publicly available. If the semi-annual financial reporting is audited, the auditor will make the auditors statement publicly available as well along with the semi-annual financial reporting.

During the period between ten weeks after the start and six weeks before the end of each half of the financial year, the Company must prepare an interim management statement and make it publicly available. The interim management statement must contain an explanation of the important events and transactions that took place during the period between the start of the relevant period and publication of the interim management statement and the consequences for the Company's financial position. The interim management statement must also contain a general description of the Company's financial position and the performance during that period. It is expected that this requirement will be abolished and as of such moment the Company may no longer publish interim management statements.

Auditor

The General Meeting or, if it fails to do so, the Supervisory Board or, if it fails to do so, the Executive Board, shall instruct an auditor to audit the annual accounts drawn up by the Executive Board in accordance with the provisions of Section 2: 393(3) of the Dutch Civil Code.

The Company must notify the AFM which auditor will be appointed to perform the statutory audit of the Company's Dutch annual accounts.

The auditor shall report to the Supervisory Board and the Executive Board with regard to its audit and present the result of its audit in an opinion.

The General Meeting and the party that granted the assignment to an auditor can revoke the assignment at any time with an absolute majority. In addition, the assignment granted by the Executive Board can be revoked by the Supervisory Board. The provisions of Section 2: 393(2) of the Dutch Civil Code shall also apply to the revocation of an assignment to the auditor. An auditor's assignment can only be revoked for sound reasons (a dispute about the reporting methods or the audit activities, in and of itself, does not constitute a sound reason). If and when an audit instruction is revoked in this manner, or if it is terminated prematurely (by the auditor), the Executive Board and the auditor must inform the AFM accordingly, giving the reasons for the revocation or termination.

Please also refer to "*Supervision and Regulation—Dutch Regulatory Framework—General—Dutch Financial Reporting Supervision Act*" for a description of the applicable financial reporting standards.

Profits and Distributions

Dividends and other distributions shall be made payable four weeks after adoption of the annual accounts, unless the General Meeting determines another date at the proposal of the Executive Board. Different payment release dates may be designated for the payment of dividends on Ordinary Shares, the Preference Shares A and the Protective Preference Shares B. Claims for dividends shall lapse upon the expiry of five years after the date such dividends were released for payment. Any dividend that is not collected within this period reverts to the Company.

The portion of the profit remaining after payments on or reservations for the benefit of the Preference Shares A and Protective Preference Shares B (as set out in the Articles of Association) and the addition to the reserves is at the disposal of the General Meeting. Distribution of the profit takes place after adoption of the annual accounts confirming that distribution is permitted, taking into account all laws and regulations, including the capital requirements of DNB. The General Meeting may resolve, upon a proposal of the Executive Board and approved by the Supervisory Board, that an Ordinary Share dividend be paid out wholly or partly in shares. The Executive Board may resolve to pay out an interim dividend on the shares, subject to the approval of the Supervisory Board.

From the profit as shown in the income statement for the most recently ended financial year, a distribution shall be made at first, where possible, on the outstanding Protective Preference Shares B of a percentage equal to the average one-month EURIBOR (euro interbank offered rate)—weighted to reflect the number of days for which the payment is made—plus a premium, to be determined by the Executive Board, subject to the approval of the Supervisory Board, of at least one percentage point and at most four percentage points, depending on the prevailing market conditions. If the relevant Protective Preference Shares B are issued in the course of a financial year the dividend shall be calculated as a proportion of the time lapsed. If and insofar as the profit is not sufficient to fully make the aforementioned distribution, the deficit shall be distributed to the charge of the reserves, with the exception of the dividend reserve A and the share premium reserve A. The dividend on the Protective Preference Shares B shall be calculated on the paid-up part of the nominal value.

The profit remaining after the distributions, if any, to holders of the Protective Preference Shares B, is added to the dividend reserve A. To the extent possible, the amount added to this dividend reserve A is equal to 2.76% of the total nominal value of all issued Preference Shares A, 2.76% of the amount of the dividend reserve A and 2.76% of the total amount of share premium reserve A. The percentage of 2.76 is the result of an annual increase of one (1) percent, relative to the applicable percentage in the preceding financial year, in the ten (10) financial years following the financial year in which for the first time an addition to dividend reserve A was made at a rate equal to 2.5%. If in any financial year the Company's profits are not sufficient to make the addition to the reserve as described above, such deficit shall be replenished in subsequent financial years.

The General Meeting may not resolve to cancel the dividend reserve A. Distributions to the charge of dividend reserve A will be made by virtue of a resolution of the meeting of holders of Preference Shares A. A *pro rata* distribution will be made to the holders of Preference Shares A.

From the profit that remains after the distributions, if any, to holders of the Protective Preference Shares B and the addition to the dividend reserve A, such reservations will be made as the Executive Board determines, with the approval of the Supervisory Board. The profit that remains thereafter shall be at the disposal of the General Meeting, which may declare a dividend on the Ordinary Shares. The distribution rights of the holders of Offer Shares will rank *pari passu* with each other and with all other Ordinary Shares.

Subject to the approval of the Supervisory Board, the Executive Board may resolve to distribute an interim dividend on Ordinary Shares, Preference Shares A and/or Protective Preference Shares B.

The General Meeting may, but only pursuant to a proposal of the Executive Board as approved by the Supervisory Board, resolve to distribute at the expense of a distributable reserve. At the proposal of the Executive Board, approved by the Supervisory Board, the General Meeting may resolve to distribute profit on the Ordinary Shares—or also charged to a reserve susceptible of distribution—not in cash, but in shares.

For further details about dividend payments on Preference Shares A and Protective Preference Shares B (if issued), refer to Article 44 of the Articles of Association.

See also "*Dividends and Dividends Policy*".

Furthermore, on 1 January 2014, Section 3: 97 of the Dutch Financial Supervision Act came into force in the Netherlands. This section provides that an insurance company is required to obtain a declaration of no objection from DNB if the insurance company wants to reduce its own funds by means of (a) repayment of capital, or (b) pay-out of reserves, while the insurance company does not meet certain solvency requirements (i) at the date of distribution or (ii) when it is foreseeable that the insurance company will not meet these requirements in the coming 12 months.

Amendment of Articles of Association

A resolution to amend the Articles of Association may only be taken by the General Meeting by an absolute majority pursuant to a proposal of the Executive Board that has been approved by the Supervisory Board. The Company shall discuss the contents of such proposal to amend the Articles of Association with Euronext before presenting it to the General Meeting.

Dissolution, Merger or Demerger

At the proposal of the Executive Board, which has been approved by the Supervisory Board, the General Meeting may resolve to dissolve the Company or to merge or demerge the Company within the meaning of Title 7, Book 2 of the Dutch Civil Code. Such a resolution requires an absolute majority. The resolution of the General Meeting for a merger or demerger requires an absolute majority if at least half of the issued share capital is present or represented at the General Meeting at which such a resolution is put to vote (failing which the resolution requires a two-thirds majority).

In the event of the dissolution of the Company pursuant to a resolution of the General Meeting, the members of the Executive Board shall be charged with the liquidation of the business of the Company and the Supervisory Board with the supervision thereof.

In the event of the Company's dissolution and liquidation, the assets remaining after satisfaction of all the Company's debts will be distributed in accordance with the provisions of Dutch law and the Articles of Association. The balance of the assets of the Company after payment of all debts and the costs of the liquidation shall be distributed as follows:

(a) first, to the extent possible, the holders of Protective Preference Shares B shall be paid the amount paid on the Protective Preference Shares B increased with a percentage equal to the percentage referred to in Article 44.1 of the Articles of Association, calculated over each year or part of a year in the period commencing on the day following the period over which the last dividend on the Protective Preference Shares B was paid and ending on the day of the distribution on Protective Preference Shares B;

(b) then, to the extent possible, the holders of Preference Shares A shall be paid the amount of the balance of the dividend reserve A and the share premium reserve A, as well as (i) an amount equal to the amount that would be added to the divided reserve A pursuant to the Articles of Association if the dissolution was to occur on the last day of the current financial year; and (ii) a distribution equal to one or more deficits as referred to in Article 44.2 of the Articles of Association; and

(c) finally, the remaining balance shall be paid to the Shareholders.

All distributions received by the shareholders are in proportion to the number of their shares of the class concerned.

Anti-Takeover Measures

Foundation Continuïteit Delta Lloyd was incorporated on 19 October 2009. The objects of Foundation Continuïteit Delta Lloyd are to promote the interests of the Company, the enterprise affiliated with it and all stakeholders involved. These objects include protecting the Company as much as possible from influences that are contrary to those interests and could jeopardise the continuity, independence or identity of those interests. Foundation Continuïteit Delta Lloyd shall endeavour to achieve these objects by acquiring and holding Protective Preference Shares B in the capital of the Company and by exercising the rights attached to those Protective Preference Shares B. The objects of Foundation Continuïteit Delta Lloyd do not entail the sale or encumbrance or other disposal of shares, with the exception of the sale to the Company or to another company assigned by and affiliated in a group with it, as well as the assistance in the repayment or withdrawal of shares.

To this end, the Company has granted a call option to Foundation Continuïteit Delta Lloyd. Foundation Continuïteit Delta Lloyd has the right to exercise the call option at any time either wholly or partly. When exercising the call option, Foundation Continuïteit Delta Lloyd is entitled to subscribe for Protective Preference Shares B up to a maximum that is equal to 100% of the Company's issued share capital in the form of Ordinary Shares and Preference Shares A outstanding immediately prior to the exercise of the call option, minus one share, which will entitle it to 49.9% of the voting rights after the issuance of such shares. This call option can be exercised by Foundation Continuïteit Delta Lloyd in order to:

- prevent, slow down or complicate an unwanted takeover bid and an unwanted acquisition of shares by acquisition on the stock market or otherwise;
- prevent concentration of the voting rights in the General Meeting;
- resist unwanted influence on and pressure to amend the strategy of the Company by the Shareholders; and

- with respect to the foregoing, give the Company the opportunity to consider and to explore possible alternatives and, if required, to work these out, in the event that an actual or threatening concentration of control arises among the Shareholder base of the Company, which is considered to be unwanted and not in the interest of the Company and the companies affiliated with it, according to the (provisional) judgement of the Executive Board or the Supervisory Board and the board of Foundation Continuïteit Delta Lloyd, and to enable the Company to neutralise such concentration of control (temporarily).

Within 20 months following the issuance of Protective Preference Shares B to Foundation Continuïteit Delta Lloyd, a General Meeting shall be held to decide on the proposal to repurchase or withdraw the outstanding Protective Preference Shares B. Any repurchase or withdrawal of Protective Preference Shares B shall be without prejudice to the right of Foundation Continuïteit Delta Lloyd to subscribe for Protective Preference Shares B again up to the maximum as referred to above, following the repurchase or withdrawal.

Board of Foundation Continuïteit Delta Lloyd

The board of Foundation Continuïteit Delta Lloyd is currently composed of the following members:

Name	Position	Curriculum vitae
H.Th. (Dick) Bouma (1944)	Chairman	Mr. Bouma was formerly a partner and chairman at the Dutch law firm Pels Rijcken & Droogleever Fortuijn N.V. He practices commercial law, insolvency law and he provides general and corporate law advice. Mr. Bouma was formerly the deputy Dutch State advocate and deputy judge of the High Court of 's-Gravenhage. He held and holds various positions on (supervisory) boards at, among others, Centraal Fonds Volkshuisvesting, Koninklijke Duyvis Wiener B.V., Vereniging Achmea and various foundations. Mr. Bouma is also chairman of Stichting Continuïteit ASMI N.V.
A. (Aart) van Bochove (1939)	Vice-chairman	Mr. Van Bochove has held various positions including chief executive officer of Martinair, chairman of Air Traffic Control, the Netherlands (Luchtverkeersleiding Nederland), executive vice president at Ricoh Europe B.V. and Hoogwegt Group, and chairman of the management board of Meneba N.V. Mr. Van Bochove has long-term experience as a supervisor in both the commercial and non-commercial sectors, for example, as chairman of Foundation 'Nederlandse Bach-vereniging', as a member of the board of 'Nederlands Philharmonisch Orkest', and as a member of the supervisory boards of a number of SME companies.

Name	Position	Curriculum vitae
R. (Rinze) Veenenga Kingma (1944)	Member	Mr. Veenenga Kingma is President of Archeus Consulting B.V. He was formerly chairman of the executive board of Delft Instruments N.V. He held and holds various positions on supervisory boards at, among others, Demcon Holding B.V., Finapress Medical System B.V., Royal Duyvis Wiener B.V., Royal Joh Enschede B.V. and Royal Swets & Zeitlinger Holding N.V. Mr. Veenenga Kingma is also a member of Stichting Continuïteit ASM International N.V.

All members of the board of directors of Foundation Continuïteit Delta Lloyd are independent from the Company. Foundation Continuïteit Delta Lloyd meets the independence requirement as referred to in Section 5: 71 (1)(c) of the Dutch Financial Supervision Act.

Transparency Directive

The Netherlands is the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU) as a consequence of which the Company is subject to the Dutch Financial Supervision Act in respect of certain ongoing transparency and disclosure obligations.

Disclosure of Holdings

Shareholder Disclosure and Reporting Obligations

Pursuant to the Dutch Financial Supervision Act, each shareholder who holds or is deemed to hold a substantial holding in the Company should forthwith notify the AFM of such substantial holding. Substantial holding means the holding of at least 3% of the shares or the ability to vote on at least 3% of the total voting rights. Any person who, directly or indirectly, acquires or disposes of an interest in the share capital or voting rights must give notice to the AFM without delay, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. In addition, if, as a result of such change, a person's direct or indirect interest in the share capital or voting rights passively reaches, exceeds or falls below the abovementioned thresholds, the person in question must give notice to the AFM no later than the fourth trading day after the AFM has published the change in the share capital and/or voting rights in the public register.

For the purpose of calculating the percentage of capital interest or voting rights, among others, the following interests must be taken into account: (i) shares or depositary receipts for shares or voting rights directly held (or acquired or disposed of) by any person, (ii) shares or depositary receipts for shares or voting rights held (or acquired or disposed of) by such person's controlled undertakings or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement (including a discretionary power of attorney), (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment, (iv) shares or depositary receipts for shares or voting rights which such person, or any controlled undertaking or third-party referred to above, may acquire pursuant to any option or other right held by such person (including, but not limited to, on the basis of convertible bonds) and (v) shares which determine the value of certain cash settled instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares which are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

For the same purpose of calculating the percentage of capital interest or voting rights, the following instruments qualify as 'shares': (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

The notification to the AFM should indicate whether the interest is held directly or indirectly, and whether the interest is an actual or a potential interest.

A person is deemed to hold the interest in the share capital or voting rights that is held by its controlled undertakings as defined in the Dutch Financial Supervision Act. The controlled undertaking does not have a separate duty to notify such interest as an indirect interest. Any person, including an individual, may qualify as an undertaking in control for the purposes of the Dutch Financial Supervision Act. A person who has a 3% or larger interest in the share capital or voting rights and who ceases to be a controlled undertaking for purposes of the Dutch Financial Supervision Act must without delay notify the AFM. As of that moment, all notification obligations under the Dutch Financial Supervision Act will become applicable to the former controlled undertaking itself.

A holder of a right of pledge or usufruct in respect of shares or depositary receipts for shares can also be subject to the reporting obligations of the Dutch Financial Supervision Act, if such person has, or acquires, the right to vote on the shares or, in the case of depositary receipts for shares, the underlying shares. If a pledgee or usufructuary acquires the voting rights on the shares or depositary receipts for shares, this may trigger a corresponding reporting obligation for the holder of the shares or depositary receipts for shares. Special rules apply with respect to the attribution of shares or depositary receipts for shares or voting rights which are part of the property of a partnership or other community of property.

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person is also required to make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short-selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short-selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires the confirmation of a third-party that the shares have been located. The notification shall be made no later than 3: 30pm (CET) on the following trading day.

Under the Dutch Financial Supervision Act, the Company is required to notify the AFM without delay of any changes in its share capital if its share capital has changed by 1% or more compared to the previous disclosure in respect of its share capital. The Company is also required to notify the AFM without delay of any changes in the voting rights, insofar as it has not already been notified at the same time as a related change in its share capital. Changes in share capital and voting rights of less than 1% must also be notified; these changes can be notified at any time but at the latest within eight days after the end of each calendar quarter. The AFM will publish such notifications in a public register.

In addition, every holder who is or ought to be aware that the substantial holding he or she holds in the Company, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, vis-à-vis his most recent notification to the AFM, which change relates to the composition of the notification as a result of certain acts (*e.g.* (i) the exchange of certain financial instruments for shares or depositary receipts for shares (ii) the exchange of shares for depositary receipts for shares, or (iii) as a result of the exercise of rights pursuant to a contract for the acquisition of voting rights), must give notice to the AFM of such changes no later than the fourth trading day after he or she became or ought to be aware of this change. Under previous legislation the notification of these changes had to be made once a year within four weeks after 31 December.

The AFM keeps a public register of all notifications made pursuant to these disclosure obligations and publishes all notifications received by it. The notifications referred to in this paragraph should be made in writing by means of a standard form or electronically through the notification system of the AFM.

Management Disclosure and Reporting Obligations

Each member of the Executive Board and Supervisory Board must notify the AFM: (a) immediately following the admission to trading and listing of the shares of the number of shares he/she holds and the number of votes he/she is entitled to cast in respect of the Company's issued share capital, and (b) subsequently of each change in the number of shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change.

Pursuant to the Dutch Financial Supervision Act, any member of the Executive Board and Supervisory Board, as well as any other person who would have managerial or co-managerial responsibilities in respect of the Company or who would have the authority to make decisions affecting the Company's future developments and business prospects regularly having access to inside information relating, directly or indirectly, to the Company, must notify the AFM by means of a standard form of any transactions conducted for his or her own account relating to the shares or in financial instruments the value of which is also based on the value of the shares.

In addition, in accordance with the Dutch Financial Supervision Act and the Dutch Financial Supervision Act Decree on Market Abuse (*Besluit Marktmisbruik Wft*) thereunder, certain persons who are closely associated with members of the Executive Board and Supervisory Board or any of the other persons as described above, are required to notify the AFM of any transactions conducted for their own account relating to the shares or in financial instruments the value of which is also based on the value of the shares. The Dutch Financial Supervision Act covers, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership whose, among other things, managerial responsibilities are discharged by a person referred to under (i) to (iii) above or by the relevant member of the Executive Board and Supervisory Board or other person with any authority in respect of the Company as described above.

The AFM must be notified of transactions effected in either the shares or financial instruments, the value of which is (in part) determined by the value of the shares, no later than the fifth business day following the transaction date by means of a standard form or by using the digital portal made available by the AFM. Notification may be postponed until the date the value of the transactions carried out on that person's own account, together with the transactions carried out by the persons associated with that person, reaches or exceeds the amount of EUR 5,000 in the calendar year in question.

If a member of the Executive Board or Supervisory Board has notified a transaction to the AFM under the Dutch Financial Supervision Act as described above under *"—Shareholder disclosure and reporting obligations"*, such notification is sufficient for purposes of the Dutch Financial Supervision Act as described in this paragraph.

Non-compliance with Disclosure Obligations

Non-compliance with the disclosure obligations set out in the paragraph above is an economic offence (*economisch delict*) and may lead to the imposition of criminal prosecution, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are pressed, the AFM is no longer allowed to impose administrative penalties and vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more shareholders who alone or together with others represent(s) at least 3% of the issued share capital or are able to exercise at least 3% of the voting rights. The measures that the civil court may impose include:

i. an order requiring the person violating the disclosure obligations under the Dutch Financial Supervision Act to make appropriate disclosure;

ii. suspension of voting rights in respect of such person's shares for a period of up to three years as determined by the court;

iii. voiding a resolution adopted by a General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and

iv. an order to the person violating the disclosure obligations under the Dutch Financial Supervision Act to refrain, during a period of up to five years as determined by the court, from acquiring the shares and/or voting rights in the shares.

Identity of Shareholders

The Company may in accordance with Chapter 3A of the Dutch Securities Giro Transfers Act request Euroclear Nederland, admitted institutions, Intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of its shareholders. Such request may only be made during a period of 60 days up to the day on which the General Meeting will be held. No information will be given on shareholders with an interest of less than 0.5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the Company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the 42nd day before the day on which the General Meeting will be held.

Public Offer Rules

Pursuant to the Dutch Financial Supervision Act, and in accordance with European Directive 2004/25/EC, also known as the takeover directive, any shareholder who directly or indirectly obtains control of a Dutch listed company, such as the Company, is required to make a public offer for all issued and outstanding shares in that company's share capital at a fair price. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time of that company's initial public offering). An additional exemption exists if such (legal) person, alone or acting in concert, reduces its holding below 30% within 30 days of the acquisition of control provided that: (i) the reduction of such (legal) person's holding was not effected by a transfer of shares or depositary receipts to an exempted party; and (ii) during this period such (legal) person, alone or acting in concert, did not exercise its voting rights.

In addition, it is prohibited to launch a public offer for shares of a listed company, such as the Ordinary Shares, unless an offer document has been approved by the AFM. A public offer may only be launched by way of publication of an approved offer document unless a company makes an offer for its shares. The public offer rules are intended to ensure that in the event of a public offer, among others, sufficient information will be made available to the holders of the shares, the holders of the shares will be treated equally, that there will be no abuse of inside information and that there will be a proper and timely offer period.

Dutch Squeeze-Out Proceedings

Pursuant to Section 2: 92a of the Dutch Civil Code, a shareholder who for his own account contributes at least 95% of the issued capital may institute proceedings before the Enterprise Chamber against the other shareholders jointly for the transfer of their shares to the claimant. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary upon the advice of one or three experts. In the event that a shareholder has acquired at least 95% of the shares held by him, representing at least 95% of the total voting rights, each remaining minority shareholder is entitled to demand a squeeze-out. This procedure must be initiated with the Enterprise Chamber within three months after the end of the period for tendering shares in the public offer. With regard to the price per share to be paid by the majority shareholder, the same procedure as for squeeze-out proceedings initiated by the offeror, as set out in the previous paragraph, applies.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. The claim of a takeover squeeze-out needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary, after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of voluntary offer.

The takeover provisions of the Dutch Civil Code also entitle those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the total voting rights. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

Market Abuse Regime

Insider Transactions

The rules on preventing market abuse set out in the Dutch Financial Supervision Act and in the Belgian Act of 2 August 2002 on the supervision of the financial sector and on financial services are applicable to Delta Lloyd, the members of the Executive Board and the Supervisory Board, other insiders and persons performing or conducting transactions in the Company´s securities. Certain important market abuse rules set out in the Dutch Financial Supervision Act that are relevant for investors are described hereunder.

The Company is required to make inside information public. Pursuant to the Dutch Financial Supervision Act, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities. The Company must also provide the AFM with this inside information at the time of publication. Furthermore, the Company must without delay publish the inside information on its website and keep it available on its website for at least one year.

It is prohibited for any person to make use of inside information within or from the Netherlands or a non-EU member state by conducting or effecting a transaction in the Ordinary Shares. In addition, it is prohibited for any person to pass on inside information relating to the Company or the trade in its securities to a third-party or to recommend or induce, on the basis of inside information, any person to conduct a transaction in the Company´s securities. Furthermore, it is prohibited for any person to manipulate the market, for instance by conducting transactions which could lead to an incorrect or misleading signal of the supply of, the demand for or the price of the securities.

The Group has adopted an internal code on inside information in respect of the holding of and carrying out of transactions with respect to the Ordinary Shares by the members of its Executive Board, Supervisory Board and employees. Furthermore, the Group has drawn up a list of those persons working for the Group who could have access to inside information on a regular or incidental basis and has informed the persons concerned of the rules on insider trading and market manipulation, including the sanctions which can be imposed in the event of a violation of those rules.

CORPORATE GOVERNANCE

The Dutch Corporate Governance Code

In December 2013, a committee commissioned by the Dutch State (*Commissie Tabaksblat*) published the DCGC. The DCGC was revised by the Frijns Committee (*Commissie Frijns*) in December 2008 and entered into force on 1 January 2009. The full text of the DCGC can be found on www.commissiecorporategovernance.nl.

On 11 February 2016, the Van Manen Committee (*Commissie Van Manen*) presented a proposal to revise the DCGC for market participants to comment on. The Van Manen Committee aims to submit a revised DCGC to the Dutch legislator in the course of this year with a view to the revised DCGC becoming effective as at 1 January 2017.

The Company is required under Dutch law to report in its annual report whether or not it complies with the provisions of the DCGC and, if it does not comply with those provisions, to explain the reasons why. The DCGC contains both principles and best practice provisions for listed companies in respect of their managing boards, supervisory boards, general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC defines a company as a long-term alliance between the various parties involved in the company. The various stakeholders are the different groups and individuals who, directly or indirectly influence—or are influenced by—the attainment of the company's objects: i.e. employees, shareholders and other lenders, suppliers, customers, the public sector and civil society. The Executive Board and the Supervisory Board should take account of the interests of the various stakeholders. According to the DCGC, good corporate governance results in balanced decision-making in a manner which enhances shareholder value and enables a company to maintain a culture of integrity, transparency and trust. The Company acknowledges the importance of good corporate governance.

On the date of this Prospectus, the Company complies with all provisions of the DCGC.

Code of Conduct for Insurers

The Code of Conduct for Insurers *(Gedragscode Verzekeraars)* was introduced in 2002 by the Dutch Association of Insurers *(Verbond van Verzekeraars)*. This association is the interest group association of Dutch insurers. The Code of Conduct was first introduced as a result of public debate on social responsibility. It constitutes a framework for the overall policy with regard to social responsibility and applies to all member of the Dutch Association of Insurers, as its signing is a condition for membership.

On 9 December 2015 the revised version of the Code of Conduct for Insurers was approved. As of that date, the Code of Conduct for Insurers includes principles on the careful treatment of customers and permanent education for executive and supervisory boards which were part of the repealed Governance Principles of the Dutch Association of Insurers. The Code of Conduct for Insurers is based on core values established in 2009. These core values are: providing security, making it possible and social responsibility. Anyone who is of the opinion that a signatory does not comply with the Code of Conduct for Insurers must first complain to the company in question. If that procedure is unsatisfactory then the complainer may turn to the Financial Services Complaints Board (*Klachteninstituut Financiële Dienstverlening, Kifid*) if it is a consumer or the Disciplinary Tribunal.

On the date of this Prospectus, the Company is a signatory to the Code of Conduct for Insurers and complies with all the provisions included in this Code of Conduct.

Banking Code

On 1 January 2015 the new Banking Code came into force. It replaced the 2010 Banking Code and was introduced by the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*). A lot of the provisions from the earlier version of the Banking Code have been implemented in legislation. All Dutch banks are subject to the Banking Code when performing activities which are aimed at and performed in the Netherlands. Compliance with the Banking Code is monitored by the Banking Code Monitoring Committee (*Monitoring Commissie Code Banken*). Starting from 2015 banks are required to account for their compliance with the Banking Code in their annual reports. Compliance with the Banking Code is based on the "*comply or explain*" principle. The Banking Code contains rules on the proper and ethical functioning of executive and supervisory boards, risk management, audit and remuneration policy. In the new Banking Code the interests of consumers are equal to the interests of other stakeholders, which is an amendment to the previous version.

The Banking Code is applicable to all banking activities of the Company. On the date of this Prospectus, the Company complies with all provisions of the Banking Code. Furthermore, the full text of the 'Declaration of Moral and Ethical Conduct' has been included in the terms of the employment contracts of all employees of the Company in the Netherlands.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The Company's outstanding share capital at the date of this Prospectus is divided into Ordinary Shares and Preference Shares A. No Protective Preference Shares B are currently outstanding. Fonds NutsOhra owns all outstanding 10,021,495 Preference Shares A. See "*Description of Share Capital and Corporate Structure*".

According to the AFM register on substantial holdings, Norges Bank, J.H.H. de Mol, Highfields, Old Mutual plc, Fubon and Fonds NutsOhra are each a shareholder with a substantial interest (*substantiële deelneming*), a holding of at least 3% of the share capital and/or voting rights in the Company.

According to the AFM register on substantial holdings, Norges Bank had a direct substantial interest of 6.92% of the share capital and 6.92% of the voting rights of the Company as of 1 March 2016. As of 24 February 2016, J.H.H. de Mol had a direct substantial interest of 5.02% of the share capital and 5.02% of the voting rights of the Company. As of 21 December 2015, Highfields had an indirect substantial interest of 5.35% of the share capital and 5.35% of the voting rights of the Company. As of 13 October 2015, Old Mutual plc had an indirect substantial interest of 3.04% of the share capital and 3.04% of the voting rights of the Company. As of 17 March 2015, Fubon had an indirect substantial interest of 5.23% of the share capital and 5.23% of the voting rights of the Company.

To the best knowledge of the Company, on 9 March 2016, the record date for the extraordinary general meeting at which Shareholders resolved, amongst other things, to approve the Rights Offering, the interest held by Highfields amounted to 9.52% of the share capital and 9.52% of the voting rights of the Company, and the interest held by Fubon amounted to 6.86% of the share capital and 6.86% of the voting rights of the Company.

Actual interests may differ as the holder of a substantial interest is only obliged to notify the AFM of any change in the percentage of share capital and/or voting rights if such holder, directly or indirectly, reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. See "*Description of Share Capital and Corporate Structure—Disclosure of Holdings*"

Except as described above, the Company is not aware of any other person or legal entity that, as of the date of this Prospectus, has a direct or indirect capital or voting interest in the Company of 3% or more. These substantial holdings are part of the free float. None of the above-mentioned Shareholders or Fonds NutsOhra have any special voting rights.

Related Party Transactions

The Company applies IAS 24 *Related Party Disclosures*. All related party transactions are conducted on an arm's length basis. See (i) note 5.1.7.42 to the Original 2013 Financial Statements, (ii) note 5.1.7.39 to the 2014 Financial Statements and (iii) note 4.1.7.39 to the 2015 Financial Statements.

Services provided to related parties

No income or receivables on services to related parties were recognised in 2015 and 2014. The income earned in year 2013 out of joint-ventures was EUR 0.2 million and no receivables were recognised at year end 2013.

Services provided by related parties

	Services provided by related parties					
	Expenses incurred in year 2015	Payable at year-end 2015	Expenses incurred in year 2014	Payable at year-end 2014	Expenses incurred in year 2013	Payable at year-end 2013
	(EUR million)					
Employee pension plans	125.5	2,479.8	101.6	2,654.7	115.2	2,007.6
Total	**125.5**	**2,479.8**	**101.6**	**2,654.7**	**115.2**	**2,007.6**

Related party transactions mainly involve transactions with the pension fund. The main pension plan in the Netherlands is held in a separate foundation that has reinsured its pension obligations with the subsidiary DLL. In January 2013, Delta Lloyd Pensioenfonds decided to split its investment portfolio. The portfolio is still reinsured at DLL to a coverage ratio of 105%. The amount above 105% is invested for own risk of Delta Lloyd Pensioenfonds at Delta Lloyd Asset Management Holding B.V.

Related party payables are not secured and no guarantees have been received in respect of them. The payables will be settled on normal credit terms.

Remuneration Executive Board and Supervisory Board

With the exception of the remuneration of the members of the Executive Board and Supervisory Board and the pension agreements for the members of the Executive Board as set out in detail in "*Executive Board, Supervisory Board and Employees*", the Company has no knowledge of any material transactions, or proposed material transactions, in which members of the Executive Board or the Supervisory Board or close members of their families had a direct or indirect material interest up to the date of this Prospectus.

Loans Executive Board

One former Executive Board member, Emiel Roozen, paid a penalty interest of EUR 71,600 because of early redemption of part of a mortgage loan granted to him. See also "*—Executive Board, Supervisory Board and Employees—Loans Executive Board*".

Long-term loan with Fonds NutsOhra

The Company has a long-term loan with Fonds NutsOhra. Fonds NutsOhra owns all outstanding 10,021,495 Preference Shares A of the Company.

Perpetual subordinated loan notes with an initial interest rate of 2.5% were issued to finance the acquisition of Nuts OHRA Beheer B.V. in 1999. The notional amount at 31 December 2015 was EUR 404.7 million (2014 and 2013: EUR 404.7 million) and the carrying amount was EUR 136.0 million (2014 and 2013: EUR 136.0 million). The interest rate on the notes was 2.76% at 31 December 2015 (2014 and 2013: 2.76%) and the fair value of the subordinated loan was EUR 209.2 million (2014: EUR 270.5 million; 2013: EUR 206.9 million). On 6 November 2015, the Company and Fonds NutsOhra executed an amendment agreement regarding the convertible subordinated loan. The changes related primarily to the deferral of interest payments and redemption restrictions for a maximum of three years. The amendment was at the request of the Company so the loan can be accounted as additional capital under Solvency II. As compensation for the amendment of the terms, Fonds NutsOhra is entitled to a maximum of EUR 22.5 million if the maximum three-year restriction term is used. This compensation will be amortised to the income statement over the restriction term.

TAXATION

Certain Dutch Tax Considerations

General

The following is a general summary of certain material Dutch tax considerations of the acquiring, holding and selling of the Offer Securities. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to all categories of investors, some of which may be subject to special treatment under applicable law (such as trusts or other similar arrangements), and in view of its general nature, it should be treated with corresponding caution. Holders or prospective holders of Offer Securities should consult with their tax advisors with regard to the tax consequences of investing in the Offer Securities in their particular circumstances. The discussion below is included for general information purposes only.

Please note that this summary does not describe the tax considerations for:

- a holder of Offer Securities if such holder, and in the case of an individual, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), has a substantial interest or deemed substantial interest in the Company under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of an individual, together with his/her partner (a statutorily defined term), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding share capital of that company or of 5% or more of the issued and outstanding share capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits and/or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;
- a holder of Offer Securities that qualify or qualified as a participation for purposes of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*). Generally, a taxpayer's shareholding of 5% or more in a company's nominal paid-in share capital qualifies as a participation. A holder may also have a participation if such holder does not have a 5% shareholding but a related entity (a statutorily defined term) has a participation or if the company in which the shares are held is a related entity;
- a holder of Offer Securities who is an individual for whom the Offer Securities or any benefit derived from the Offer Securities are a remuneration or deemed to be a remuneration for activities performed by such holder or certain individuals related to (a statutorily defined term) such holder; or
- pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) and other entities that are, in whole or in part, not subject to or exempt from corporate income tax in the Netherlands, as well as entities that are exempt from corporate income tax in their country of residence.

Except as otherwise indicated, this summary only addresses Dutch national tax legislation and published regulations, whereby "Dutch" or "the Netherlands" refer only to the part of the Kingdom of the Netherlands located in Europe, as in effect on the date hereof and as interpreted in published case law until this date, without prejudice to any amendment introduced at a later date and implemented with or without retroactive effect.

Withholding Tax

Dividends distributed by the Company generally are subject to Dutch dividend withholding tax at a rate of 15%. The expression "dividends distributed" includes, among other things:

- distributions in cash or in kind, deemed and constructive distributions and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of Offer Shares, or proceeds of the repurchase of Offer Shares by the Company or one of the Company's subsidiaries or other affiliated entities to the extent such proceeds exceed the average paid-in capital of those Offer Shares as recognised for purposes of Dutch dividend withholding tax, unless, in case of a repurchase, a particular statutory exemption applies;

- an amount equal to the par value of Offer Shares issued or an increase of the par value of Offer Shares, to the extent that it does not appear that a contribution, recognised for purposes of Dutch dividend withholding tax, has been made or will be made; and
- partial repayment of the paid-in capital, recognised for purposes of Dutch dividend withholding tax, if and to the extent that the Company has net profits (*zuivere winst*), unless the holders of Offer Shares have resolved in advance at a general meeting to make such repayment and the par value of the Offer Shares concerned has been reduced by an equal amount by way of an amendment of the Company's Articles of Association.

If a holder of Offer Shares is resident in a country other than the Netherlands and if a double taxation convention is in effect between the Netherlands and such other country, such holder of Offer Shares may, depending on the terms of that double taxation convention, be eligible for a full or partial exemption from, or refund of, Dutch dividend withholding tax.

Individuals and corporate legal entities who are resident or deemed to be resident in the Netherlands for Dutch tax purposes ("Dutch Resident Individuals" and "Dutch Resident Entities", as the case may be), can generally credit the Dutch dividend withholding tax against their income tax or corporate income tax liability, respectively. The same generally applies to a holder of Offer Shares that are neither resident nor deemed to be resident of the Netherlands if the Offer Shares are attributable to a Dutch permanent establishment of such non-resident holder of Offer Shares.

In general, the Company will be required to remit all amounts withheld as Dutch dividend withholding tax to the Dutch tax authorities. However, under certain circumstances, the Company is allowed to reduce the amount to be remitted to the Dutch tax authorities by the lesser of:

- 3% of the portion of the distribution paid by the Company that is subject to Dutch dividend withholding tax; and
- 3% of the dividends and profit distributions, before deduction of non-Dutch withholding taxes, received by the Company from qualifying non-Dutch subsidiaries in the current calendar year (up to the date of the Company's distribution) and the two preceding calendar years, as far as such dividends and profit distributions have not yet been taken into account for purposes of establishing the abovementioned reduction.

Although this reduction reduces the amount of Dutch dividend withholding tax that the Company is required to remit to the Dutch tax authorities, it does not reduce the amount of tax that the Company is required to withhold on dividends distributed. Upon request, the Company will provide holders of Offer Shares with information regarding the portion of the Dutch withholding tax that was retained by the Company.

Pursuant to legislation to counteract "dividend stripping", a reduction, exemption, credit or refund of Dutch dividend withholding tax is denied if the recipient of the dividend is not the beneficial owner as described in the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*). This legislation generally targets situations in which a shareholder retains the economic interest in shares but reduces the withholding tax costs on dividends by a transaction with another party. These rules may also apply if the recipient of the dividends is not aware that a dividend stripping transaction took place. The Dutch State Secretary of Finance takes the position that the definition of beneficial ownership introduced by this legislation is also relevant in the context of a double taxation convention.

Taxes on Income and Capital Gains

Dutch Resident Individuals

If a holder of Offer Securities is a Dutch Resident Individual, any benefit derived or deemed to be derived from the Offer Securities is taxable at progressive income tax rates (with a maximum of 52%), if:

(a) the Offer Securities are attributable to an enterprise from which the Dutch Resident Individual derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise, without being an entrepreneur or a shareholder, as defined in the Dutch Income Tax Act 2001; or

(b) the holder of the Offer Securities is considered to perform activities with respect to the Offer Securities that go beyond ordinary asset management (*normaal actief vermogensbeheer*) or derives benefits from the Offer Securities that are otherwise taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the abovementioned conditions (a) and (b) do not apply to the individual holder of Offer Securities, the Offer Securities are recognised as investment assets and as such included in such holder's net investment asset base (*rendementsgrondslag*). Such holder will be taxed annually on a deemed income of 4% of his or her net investment assets for the year at an income tax rate of 30%. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. A tax free allowance may be available. Actual benefits derived from the Offer Securities are as such not subject to Dutch income tax.

Dutch Resident Entities

Any benefit derived or deemed to be derived from the Offer Securities held by Dutch Resident Entities, including any capital gains realised on the disposal thereof, will generally be subject to Dutch corporate income tax at a rate of 25% (a corporate income tax rate of 20% applies with respect to taxable profits up to EUR 200,000).

Non-residents of the Netherlands

A holder of Offer Securities will not be subject to Dutch taxes on income or on capital gains in respect of the distribution, exercise or disposal of the Rights, except as described under "withholding tax" above, on any payment under the Offer Securities, or on any gain realised on the disposal or deemed disposal of the Offer Securities, provided that:

(a) such holder is neither a resident nor deemed to be resident in the Netherlands for Dutch tax purposes;

(b) such holder does not have an interest in an enterprise or a deemed enterprise (a statutorily defined term) which, in whole or in part, is either effectively managed in the Netherlands or is carried out through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise, or part of an enterprise, the Offer Securities are attributable; and

(c) in the event such holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Offer Securities that go beyond ordinary asset management and does not derive benefits from the Offer Securities that are otherwise taxable as benefits from other activities in the Netherlands.

Gift and Inheritance Taxes

Residents of the Netherlands

Gift and inheritance taxes will be levied in the Netherlands with respect to a gift of the Offer Securities by, or inheritance of the Offer Securities on the decease of, a holder of Offer Securities who is resident or deemed to be resident in the Netherlands at the time of the gift or his/her decease.

Non-residents of the Netherlands

No Dutch gift or inheritance taxes will be levied with respect to a gift of the Offer Securities by, or inheritance of the Offer Securities on the decease of, a holder of Offer Securities who is neither resident nor deemed to be resident in the Netherlands, unless:

(a) in the case of a gift of Offer Securities by an individual who, at the date of the gift, was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(b) the transfer of Offer Securities is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or decease, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, amongst others, a person that holds the Dutch nationality will, among other instances, be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his/her decease. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Value Added Tax

In general, no Dutch value added tax will arise in respect of payments in consideration for the issue of the Offer Securities or in respect of a cash payment made under the Offer Securities, or in respect of a transfer of the Offer Securities.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder of Offer Securities in respect of or in connection with the purchase, ownership and disposal of the Offer Securities.

Certain Belgian Tax Considerations

Introduction

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling Offer Shares. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisors regarding such considerations in relation to their own particular circumstances. The description of certain taxes in the Kingdom of Belgium (Belgium) set out below is for general information only and does not purport to be comprehensive. This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.

Dividends

General

For Belgian tax purposes, dividend income includes any benefits paid on or attributed to Offer Shares. A repayment of share capital is however not considered a dividend to the extent that (i) it concerns a repayment of effectively paid-up share capital; and (ii) the capital decrease is performed in accordance with the Belgian Companies Code.

In case of liquidation of a company, any amount distributed in excess of the paid-up share capital will also be considered a dividend.

Belgian resident individuals

Belgian resident individuals are subject to the Income Tax for Individuals ("*impôt des personnes physiques" / "personenbelasting*").

In general an individual is considered a Belgian resident for tax purposes if he has his domicile in Belgium or his financial or economic interests are located in Belgium.

Under the Income Tax for Individuals, income derived from various sources is split into either (i) immovable income (which includes income from immovable property); (ii) movable income (which includes dividend, interest and royalty income); (iii) business income; and (iv) miscellaneous income (which includes a.o. speculative income or gains but excludes any income or gains derived from the normal management of a private investment portfolio).

Movable income is not globalised with the immovable and business income, which are taxed at the progressive tax rates (25%-50% + municipal tax), but is taxed at a separate flat rate (27% for most products with certain exceptions), except if the globalisation would be more advantageous for the beneficiary.

Dividends which are paid by a Belgian company or which are cashed through a Belgian financial intermediary are in principle subject to 27% Belgian withholding tax. In such case the withholding tax is considered as the final tax and the dividend income should not be reported in the annual income tax return for individuals anymore.

Dividends from foreign companies which are cashed through a foreign financial intermediary and have in principle not been subject to Belgian withholding tax have to be reported by the Belgian investor in his tax return.

No municipal tax will be added to the income tax for the dividends reported in individual tax returns.

The Belgian income tax should be calculated on the gross amount of income from movable assets before the deduction of transaction costs or custody fees. This is applicable for both Belgian and foreign source income.

However, with respect to foreign source income, the effective foreign withholding tax paid may be deducted from the gross income for computing the Belgian income tax.

To the extent that the income would be regarded as speculative or beyond the normal management of a private portfolio, the tax authorities may consider the income as "miscellaneous income", thus being taxable at a flat rate of 33% (+ additional municipal tax). If the income is considered as part of a professional activity, it will be taxed as business income at the progressive tax rates (25%-50% + additional municipal tax).

Belgian companies

Dividends paid through an intermediary established in Belgium and to a Belgian company which is subject to corporate income tax will generally be subject to Belgian withholding tax. However, an exemption may apply provided that certain conditions are met. Foreign source dividends received by a Belgian company will be exempt from withholding tax provided that the identification requirements in article 117, §11 of the Royal Decree implementing the Belgian Income Tax Code are met.

The current applicable withholding tax rate is 27%. For Belgian companies, the withholding tax is not the final tax, as they need to declare the dividend income (after deduction of any foreign withholding tax but including any Belgian withholding tax) in their annual corporate income tax return, where it is taxed at the normal corporate income tax rate of 33.99%.

Lower corporate income tax rates may apply for Small and Medium Sized Enterprises, subject to certain conditions.

A Belgian company receiving dividends will be entitled to a dividends received deduction if both a participation condition and a taxation condition are met. The deduction amounts to 95% of the gross dividends received.

According to the participation condition, the Belgian parent company should hold a participation of at least 10% in the subsidiary or the participation must have a purchase value of at least EUR 2.5 million. In addition, the participation must be maintained in full ownership during an uninterrupted period of at least one year.

According to the taxation condition the Belgian company will in general not be entitled to any dividends received deduction for dividends received from companies which are not subject to corporate income tax or which are subject to a notably more advantageous regime as the Belgian corporate income tax regime (article 203 of the Belgian Income Tax Code).

The conditions for the application of the dividend received deduction regime should be analysed on a case-by-case basis and should be further analysed with tax consultants.

Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled. However, the Belgian withholding tax may only be credited against the corporate income tax liability to the extent that (i) the taxpayer has held the full ownership of the shares at the time the dividends were paid or attributed; and (ii) the payment or the attribution of the dividends does not result in a reduction in value of or a capital loss on the shares to which the dividends relate.

This condition is not applicable if (i) the taxpayer can demonstrate that it has held the shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends; or (ii) that the shares, during that period, never belonged to a taxpayer that is not a company subject to corporate income tax or to a non-resident company that has, in an uninterrupted manner, invested the shares in a Belgian permanent establishment.

Any excess withholding tax is refundable.

In specific cases and subject to conditions, an exemption from withholding tax may be available. This should be further analysed with tax consultants.

Other Belgian legal entities subject to the legal entities income tax

For other Belgian legal entities subject to the legal entities income tax, all dividend income (as defined by the Belgian Income Tax Code) will (subject to certain exceptions) be subject to withholding tax, currently at a rate of 27%.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax, currently at the rate of 27%. This withholding tax is a final tax. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Non-residents

Dividends paid through a professional intermediary in Belgium will in principle be subject to withholding tax. The current applicable tax rate is 27%. However, an exemption may apply provided that the shareholder is resident in a country with which Belgium has concluded a double taxation treaty and delivers the requested affidavit.

If shares are acquired by a non-resident investor in connection with a business in Belgium, the investor must report any dividends received, which are taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. However, any Belgian withholding tax levied at source can be credited against the non-resident individual or corporate income tax, subject to two conditions (i) the taxpayer has held the shares in full legal ownership at the time the dividends were paid or attributed; and (ii) the payment or the attribution of the dividends does not result in a reduction in value of or a capital loss on the shares to which the dividends relate.

This condition is not applicable if (i) the taxpayer can demonstrate that it has held the shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends; or (ii) that the shares, during that period, never belonged to a taxpayer that is no company subject to corporate income tax or to a non-resident company that has, in an uninterrupted manner, invested the shares in a Belgian permanent establishment.

Any excess withholding tax is refundable.

A non-resident company that has invested its Offer Shares in a Belgian establishment can deduct up to 95% of the gross dividends included in their taxable profits if, at the time the dividends are paid or attributed, the abovementioned conditions for the application of the 'Dividend Received Deduction' regime are satisfied.

The conditions for the application of the dividend received deduction regime should be analysed on a case-by-case basis and should be further analysed with tax consultants.

Capital gains on Offer Shares

Belgian resident individuals

At present, capital gains derived from the normal management of a private investment portfolio are in principle not taxable in Belgium. To the extent that the gains would be regarded as speculative or beyond the normal management of a private portfolio, the tax authorities may consider the income or gains as "miscellaneous income" taxable at a flat rate of 33% (+ additional municipal tax). If the gains are considered as part of a professional activity, they will be taxed as business income at the progressive tax rates (25%-50% + additional municipal tax). Capital losses on shares are not tax deductible.

However, as from 1 January 2016, capital gains realised on Offer Shares by qualifying individual Shareholders are subject to a Belgian "speculation" tax (at a rate of 33%) if Offer Shares are disposed of within 6 months following their acquisition.

Belgian companies

Belgian resident companies (not being SMEs) are subject to Belgian capital gains taxation at a flat rate of 0.412% on gains provided that (i) the taxation condition as mentioned in article 203 BITC is satisfied, meaning that the capital gain cannot relate to shares in a company which is not subject to corporate income tax or which is subject to a notably more advantageous regime as the Belgian corporate income tax regime; and (ii) the shares have been held in full legal ownership for an uninterrupted period of at least one year.

If the one-year minimum holding condition is not satisfied, the capital gains realised upon disposal of shares of the company by a Belgian resident company (non-SME or SME) are taxable at a flat corporate income tax rate of 25.75%.

Capital losses on shares incurred by resident companies are in principle not tax deductible.

Other Belgian legal entities subject to the legal entities income tax

Other Belgian resident legal entities subject to the legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of shares. Capital losses on shares incurred by Belgian resident legal entities are not tax deductible.

Non-resident individuals

Capital gains realised by a non-resident individual that has not acquired the shares in connection with a business conducted in Belgium through a Belgian permanent establishment ("PE") are, in principle, not subject to taxation, if the gain is derived from the normal management of the individual's private estate.

However, as from 1 January 2016, capital gains realised on Offer Shares by qualifying individual Shareholders are subject to a Belgian "speculation" tax (at a rate of 33%) if Offer Shares are disposed of within 6 months following their acquisition. If a double taxation treaty is applicable, a full exemption from Belgian capital gains taxation should (still) be possible.

To the extent that the gain is deemed to be realised outside the scope of the normal management of the individual's private estate, it will be subject to a final professional withholding tax of 30.28%. If a double taxation treaty is concluded, a full exemption from Belgian capital gains taxation is possible.

Capital losses are generally not tax deductible. However, if the capital gains or losses are realised by a non-resident individual holding the Offer Shares in connection with a business conducted in Belgium through a fixed base in Belgium, those gains are taxable at the ordinary progressive income tax rates and the capital losses will be tax deductible.

Non-resident companies or entities

Capital gains realised by non-resident companies or non-resident entities that have not acquired the shares in connection with a business conducted in Belgium through a Belgian PE are, in principle, not subject to taxation.

If the shares are held in connection with a business conducted in Belgium through a Belgian PE, the gains are subject to the same regime as Belgian resident companies (i.e. 0.412% or 25.75%).

Capital gains realised by Belgian non-residents could under certain circumstances (article 228, §3 BITC) be subject to Belgian taxation, levied in the form of a professional withholding tax upon a transfer of the shares to a Belgian resident (including a Belgian establishment of a foreign entity).

Capital losses are generally not tax deductible.

Tax on stock exchange transactions

According to article 120 of the Belgian Code of Miscellaneous Duties and Taxes ("BCMDT"), transactions with respect to Belgian and foreign public securities are in principle subject to stock exchange tax, provided that a Belgian recognised financial trader (i.e. financial institutions, stock exchange companies) is involved in the transaction.

With respect to the purchase and sale of existing securities (transaction on secondary market), the tax should be paid by both the seller and the purchaser separately. This means that each transaction will give rise to a double taxation, i.e. between the seller and the intermediary and between the intermediary and the purchaser.

Stock exchange transactions on shares are generally subject to a rate of 0.27%. The total tax per transaction is capped at EUR 800.

For the avoidance of doubt, the tax on stock exchange transactions is *not* due for subscriptions of newly-issued shares (i.e. a primary market-transaction such as in the case at hand).

Disposal of Rights

Any gains realised on the disposal of Rights prior to the expiry of the Exercise Period will, in principle, not be taxable in the hands of Belgian resident or non-resident individuals except for resident individuals who hold the Rights for professional purposes or for non-resident individuals who hold the Rights for a business conducted in Belgium through a fixed base. In these cases, the gains realised will be taxed at the progressive income tax rates, increased by local surcharges.

At the level of Belgian resident companies, any gains realised on the disposal of Rights prior to the expiry of the Exercise Period will be taxable at the ordinary corporate tax rate for Belgian resident companies. Non-resident companies holding the Rights through a Belgian permanent establishment will be taxed at the ordinary non-resident income tax rate on any gains so realised.

Legal entities subject to Belgian tax on legal entities are, as a rule, not subject to tax on gains realised upon the sale of the Rights prior to the closing of the Exercise Period.

For professional investors, losses realised on the Rights are, in principle, deductible.

The above-referenced rules regarding the tax on stock exchange transactions equally apply to the disposal of Rights prior to the closing of the Exercise Period.

Financial Transaction Tax

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Offer Securities (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Offer Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC 28 November 2006 on the common system of value added tax). For Belgium, the above-referenced tax on stock exchange transactions (due on secondary market-transactions) should thus be abolished once the FTT enters into force.

Recently, Estonia has withdrawn itself from the process. The proposed implementation date of 1 January 2016, has not been met. The remaining participating Member States have set a new deadline for implementation of June 2016. The FTT proposal remains subject to negotiation between the remaining participating Member States . It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the other participating Member States may also decide to withdraw.

Prospective Shareholders are advised to seek their own professional advice in relation to the FTT.

US Federal Income Tax Considerations

The following is a description of certain US federal income tax consequences of receiving, exercising and disposing of Rights, and owning and disposing of the Offer Shares, to the US Holders described below. This discussion applies only to US Holders that receive Rights or purchase Offer Shares pursuant to the Offering and that will hold Rights or Offer Shares, as the case may be, as capital assets for US federal income tax purposes. This discussion does not address US state, local and non-US tax consequences, nor does it describe all of US federal income the tax consequences that may be relevant in light of a US Holder's particular circumstances, including alternative minimum tax consequences, any aspect of the Medicare contribution tax on net investment income and tax consequences applicable to US Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Rights or shares of the Company as part of a hedge, straddle, conversion or other integrated transaction;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- entities classified as partnerships for US federal income tax purposes;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own 10% or more of the Company's voting stock;
- certain expatriates; or
- persons holding Rights or shares of the Company in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for US federal income tax purposes owns Rights or Offer Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Rights or Offer Shares and partners in such partnerships should consult their tax advisers regarding the tax consequences of the Rights Offering.

This discussion is based on the US Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date hereof and all of which are subject to change, possibly on a retroactive basis. Shareholders and prospective investors should consult their tax advisers concerning the US federal, state, local and non-US tax consequences of receiving, exercising and disposing of Rights and purchasing, owning and disposing of Offer Shares in their particular circumstances.

For purposes of this discussion, a "US Holder" is a beneficial owner of Rights or Offer Shares that is, for US federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States or any political subdivision thereof; or
- an estate or trust the income of which is subject to US federal income taxation regardless of its source.

Except as discussed under "—*Passive Foreign Investment Company Considerations*" below, this discussion assumes that the Company has not been, and will not become, a passive foreign investment company (a "PFIC") for US federal income tax purposes.

Taxation of the Rights

Distribution of Rights. Although the tax consequences of the receipt of Rights by a US Holder are not free from doubt, the Company believes, and this discussion assumes, that a US Holder should not be required to include any amount in income for US federal income tax purposes as a result of the receipt of Rights.

Tax basis and holding period of Rights. If the fair market value of the Rights on the date they are distributed equals or exceeds 15% of the fair market value on such date of the ordinary shares with respect to which the Rights are distributed (the "Existing Shares"), then a US Holder's tax basis in its Existing Shares must be allocated between the Existing Shares and the Rights received with respect to such shares in proportion to their relative fair market values on the date of distribution. If, however, the Rights expire unexercised by a US Holder and the US Holder does not receive from the Underwriters a payment in respect of such holder's unexercised

Rights ("Unexercised Rights Payment"), the allocation rule described above and the election to allocate tax basis described below will not apply, the US Holder will not recognise any loss as a result of such expiration and the US Holder's tax basis in its Existing Shares will remain unchanged as a result of the Rights Offering.

Alternatively, if the fair market value of the Rights on the distribution date is less than 15% of the fair market value of the Existing Shares with respect to which the Rights were distributed, then a US Holder's tax basis in the Rights generally will be zero and such US Holder's tax basis in its existing ordinary shares generally will remain unchanged as a result of the Rights Offering. However, in such event, a US Holder may elect to allocate to the Rights a portion of the tax basis in such US Holder's Existing Shares in accordance with the allocation method described in the preceding paragraph. A US Holder who wishes to make this election must attach a statement to this effect to its US federal income tax return for the tax year in which the Rights are received. The election will apply to all of the Rights received by the US Holder pursuant to the Rights Offering and, once made, will be irrevocable. US Holders should consult their tax advisers regarding the advisability and specific procedures for making such an election in the event that the value of the rights is less than 15% of the value of the Existing Shares with respect to which the Rights were issued.

The holding period of a Right will include a US Holder's holding period for the ordinary share with respect to which the Right was distributed.

Exercise of Rights. The exercise of Rights by a US Holder will not be a taxable transaction for US federal income tax purposes. A US Holder's tax basis in each Offer Share acquired upon exercise of Rights will equal the sum of (i) the Issue Price paid by the US Holder for the Offer Share and (ii) the US Holder's tax basis in the exercised Rights, if any, each determined in US dollars. The holding period of any Offer Share so acquired will begin on the date the Rights were exercised.

Sale or Other Taxable Disposition of Rights. A US Holder will generally recognise capital gain or loss on the sale or other taxable disposition of a Right, which will be long-term capital gain or loss if the US Holder's holding period for the Right (as described above) is more than one year. The amount of the US Holder's gain or loss will be equal to the difference between the amount realised on the sale or other taxable disposition and the US Holder's tax basis in the Right, each determined in US dollars. Any gain or loss will generally be US-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Unexercised Rights Payment. If a US Holder receives any Unexercised Rights Payments, the receipt of such payments may be treated as a disposition of its Rights by the US Holder (taxable as described above in "*—Sale or Other Taxable Disposition of Rights*"). Alternatively, a US Holder may be treated as if the US Holder exercised its Rights and subsequently disposed of the Offer Shares acquired upon exercising its Rights. US Holders receiving Unexercised Rights Payments should consult their own tax advisers.

Taxation of the Offer Shares

Taxation of Distributions on the Offer Shares. Distributions received by a US Holder on Offer Shares (including the amount of any Dutch taxes withheld), other than certain pro rata distributions of ordinary shares, will constitute dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined for US federal income tax purposes). Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's tax basis in the Offer Shares and thereafter as capital gain. Because the Company does not maintain calculations of earnings and profits under US federal income tax principles, it is expected that distributions generally will be reported to US Holders as dividends. Dividends will not be eligible for the dividends received deduction generally available to US corporations under the Code. Subject to applicable limitations, dividends paid to certain non-corporate US Holders may be taxable at the favourable rates applicable to "qualified dividend income". US Holders should consult their tax advisers regarding the availability of these favourable rates.

Dividends will be included in a US Holder's income on the date of the US Holder's receipt of the dividend. The amount of a dividend paid in euros will be the US dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, a US Holder should not be required to recognise foreign currency gain or loss in respect of the dividend income. A US Holder may have ordinary currency gain or loss if the dividend is converted into US dollars after the date of receipt.

Dividends will be treated as foreign-source income to US Holders. Subject to applicable limitations, non-refundable Dutch income taxes withheld from dividends at a rate not exceeding any applicable rate under the US-Netherlands income tax treaty will be creditable against the US Holder's US federal income tax liability. Upon making a distribution to Shareholders, the Company may be permitted to retain a portion of the amounts withheld as Dutch dividend withholding tax. See "*—Certain Dutch Tax Considerations—Withholding Tax*". The amount of Dutch withholding tax that the Company may retain, reduces the amount of dividend withholding tax that the Company is required to pay to the Dutch tax authorities, but does not reduce the amount the Company is required to withhold from dividends paid to US Holders. In these circumstances, it is likely that the portion of dividend withholding tax that the Company is not required to pay to the Dutch tax authorities with respect to dividends distributed to US Holders would not qualify as a creditable tax for US foreign tax credit purposes. Subject to applicable limitations, in lieu of claiming a foreign tax credit, a US Holder may elect to deduct foreign taxes, including any Dutch taxes, in computing its taxable income.

The rules governing foreign tax credits are complex, and US Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances.

Sale or Other Taxable Disposition of Offer Shares. A US Holder will generally recognise capital gain or loss on the sale or other taxable disposition of Offer Shares, which will be long-term capital gain or loss if the US Holder has held such shares for more than one year. The amount of the US Holder's gain or loss will be equal to the difference between the amount realised on the sale or other taxable disposition and such US Holder's tax basis in the Offer Shares, each as determined in US dollars. Any gain or loss will generally be US-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Considerations. In general, a non-US corporation will be a PFIC for any taxable year if (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties and certain gains. However, exceptions exist for certain income earned in the active conduct of an insurance or banking business by an insurance company or bank which meets certain conditions. Based on the active insurance and active banking exceptions, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because there are uncertainties as to how to apply these exceptions, and because the Company's PFIC status for a particular year will depend upon the composition of its income and assets and the value of its assets for such year, there can be no assurance that the Company will not be a PFIC for any taxable year.

In general, if the Company were a PFIC for any taxable year during which a US Holder owned Offer Shares (or, under proposed Treasury regulations, Rights), gain recognised by a US Holder on a sale or other disposition (including certain pledges) of the Offer Shares (or, under proposed Treasury regulations, Rights) would be allocated rateably over the US Holder's holding period for such shares (or Rights). The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax allocated to each such taxable year. Further, to the extent that any payment received by a US Holder on its Offer Shares exceeds 125% of the average of the annual payments on the Offer Shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner. If the Company were a PFIC for any taxable year, certain elections may be available to US Holders that may result in alternative tax treatment. If a US Holder owns Offer Shares during any year in which the Company is a PFIC, the US Holder generally will be required to file annual reports on IRS Form 8621 (or any successor form) with respect to the Company, generally with the US Holder's US federal income tax return for that year.

US Holders should consult their tax advisers regarding the US federal income tax consequences to them if the Company were a PFIC for any taxable year.

Transfer reporting requirements

In certain circumstances, a US Holder that subscribes for Offer Shares may be required to file Form 926 with the IRS if the Issue Price paid by the US Holder, when aggregated with all transfers of cash made by the US Holder (or any related person) to the Company within the preceding twelve-month period, exceeds $100,000 (or its foreign currency equivalent). Failure by a US Holder to timely comply with such reporting requirements may result in substantial penalties. US Holders should consult their tax advisers to determine whether this reporting requirement is applicable to them.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain US-related financial intermediaries generally are subject to information reporting and backup withholding unless the US Holder is a corporation or other exempt recipient or, in the case of backup withholding, the US Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding withheld from a payment to a US Holder will be allowed as a credit against the US Holder's US federal income tax liability and may entitle such US Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign financial asset reporting

Certain US Holders who are individuals and certain entities controlled by individuals may be required to report information relating to their ownership of the Offer Shares or Rights, unless the Offer Shares or Rights are held in accounts at financial institutions (in which case the accounts may be reportable if maintained by non-US financial institutions). US Holders should consult their tax advisers regarding their reporting obligations with respect to the Offer Shares or Rights.

THE OFFERING

General

The Company is offering 227,567,943 Offer Shares in the Offering at the Issue Price of EUR 2.85 per Offer Share and for a total amount of approximately EUR 648.6 million. Shareholders on register at the Record Date are being granted Rights in the Rights Offering that will entitle Shareholders that qualify as Eligible Persons to subscribe for Offer Shares at the Issue Price. The mere granting of Rights to a Shareholder does not constitute an offer of Offer Shares. No offer of Offer Shares is being made to Shareholders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them. The Company, as holder of Ordinary Shares in treasury, will not be granted any Rights.

Shareholders who transfer, or who do not timely or validly, or are not permitted to, exercise any of their Rights granted under the Rights Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 49.9% as a result of the issue of the Offer Shares. However, such Shareholders (i) may receive valuable consideration on the sale of their Rights during the Exercise Period, subject to the restrictions set forth in this chapter, or (ii) may receive a part of the Excess Amount in cash pro rata to the number of unexercised Rights reflected in each such holder's securities account following the placement of the Rump Shares on their behalf by the Joint Bookrunners. For further information, see "*—Rump Offering—Excess Amount*" below. All requirements concerning deadlines, validity, and form of instructions to a financial intermediary in relation to the exercise, sale, purchase of Rights or unexercised Rights will be determined by the relevant financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies to the holders of Rights.

The Joint Bookrunners have agreed, on behalf of the Underwriters, subject to the terms and conditions of the Underwriting Agreement, to use their reasonable endeavours to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and in certain other eligible jurisdictions, including in the United States to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such subscribers (including any value added tax). The Underwriters, severally and not jointly or jointly and severally, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement.

The Rump Offering, if any, is expected to commence as soon as reasonably practicable after the expiry of the Exercise Period and in any event by no later than 17:30 CET on the trading day after the expiry of the Exercise Period.

The statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders in respect of the Offering have been excluded for the purpose of the Offering, since the Company is not taking any action to permit a public offering of the Rights or the Offer Shares in any jurisdiction other than the Netherlands or Belgium. See "*Description of Share Capital and Corporate Structure—Pre-emptive Rights*". Instead, Shareholders, as of the Record Date, are being granted Rights that will entitle them, if they are Eligible Persons, to subscribe for the Offer Shares at the Issue Price.

Selling and Transfer Restrictions

Each potential investor should carefully read the restrictions described in "*Selling and Transfer Restrictions*". The making or acceptance of an offer to sell Rights or Offer Shares to persons with registered addresses in, or who are resident or located in, or citizens of, countries other than the Netherlands and Belgium may be affected by the laws or regulations of the relevant jurisdiction. The mere granting of Rights to a Shareholder does not constitute an offer of Offer Shares. No offer of Offer Shares is being made to Shareholders who are not Eligible Persons and are therefore not permitted to exercise the Rights granted to them. Accordingly, any such person who is in any doubt as to his or her position should consult an appropriate professional advisor without delay.

The Company reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to it or its agents:

- to have been executed, effected or dispatched from any jurisdiction other than the Netherlands or Belgium, including the United States, Australia or Japan, unless the Company is satisfied that such action would not result in the contravention of any registration requirement or other legal regulation in any jurisdiction;

- to involve a potential breach or violation of the laws of any jurisdiction;
- to involve an acceptance, or purported acceptance, that may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus; or
- to purport to exclude or modify any of the representations and warranties required or deemed to be made by an exercising Right holder, as set out in "*Selling and Transfer Restrictions*".

Expected Timetable

Subject to acceleration or extension of the timetable for the Offering, the timetable below lists certain expected key dates for the Offering:

Event	Time and Date
Record Date	at 17: 40 hours CET, on 23 March 2016
Start of ex-Rights trading in the Ordinary Shares commences on Euronext in Amsterdam and Euronext in Brussels	09: 00 hours CET on 24 March 2016
Start of the Exercise Period	09: 00 hours CET on 24 March 2016
Start of trading in the Rights on Euronext in Amsterdam and Euronext in Brussels	09: 00 hours CET on 24 March 2016
End of trading in the Rights on Euronext in Amsterdam and Euronext in Brussels	17: 40 hours CET on 6 April 2016
End of the Exercise Period	14: 00 hours CET on 7 April 2016
Start of the Rump Offering (if any)	Expected 7 April 2016
End of the Rump Offering (if any)	Expected 7/8 April 2016
Allotment of the Offer Shares	8 April 2016
Issue of, payment for and delivery of the Offer Shares (Settlement Date)	11 April 2016
Settlement Date	11 April 2016
Listing of and start of trading in the Offer Shares on Euronext in Amsterdam and Euronext in Brussels	09: 00 hours CET on 11 April 2016

The last date and/or time before which notification of exercise instructions may be validly given by the holder of any Right may be earlier than the date and/or time specified above as the end of the Exercise Period, depending on the financial intermediary through which such Rights are held.

The Company may adjust the dates, times and periods given in the timetable and throughout this Prospectus in consultation with the Joint Bookrunners, on behalf of the Underwriters. If the Company should decide to adjust dates, periods or times, the Company will notify Euronext Amsterdam and Euronext Brussels, Shareholders and holders of Rights, as well as the public through a press release published in the Netherlands and Belgium, which will be placed on its website.

The number of Offer Shares subscribed for in the Rights Offering and the announcement of the start of the Rump Offering, if any, will be made public through a press release published in the Netherlands and Belgium, which will be placed on the Company's website, at the latest in the morning of the day following the end of the Exercise Period.

The results of the Rump Offering, if any, will be made public through a press release published in the Netherlands and Belgium, which will be placed on the Company's website, as soon as possible after allotment of the Offer Shares.

Rights Offering

Rights

Existing Shareholders (excluding the Company in respect of the Ordinary Shares it holds in treasury) at 17:40 CET on the Record Date are being granted Rights in registered form to subscribe for the Offer Shares at the Issue Price. Each Ordinary Share held immediately after the close of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels at 17:40 hours CET on the Record Date will entitle its holder to one Right. See "—*Record Date*" below. Subject to applicable securities laws and the terms set out in this Prospectus. Eligible Persons will be entitled to subscribe for one Offer Share for every Right held until the end of the Exercise Period. No fractional Offer Shares will be issued. No Rights allowing it to participate in the Offering will be granted to the Company as holder of Ordinary Shares in treasury. For trading in the Rights, see "—*Trading in the Rights*" below.

A financial institution may not acknowledge the receipt of any Rights, and the Company reserves the right to treat as invalid the exercise, purported exercise or transfer of any Rights, which may involve a breach of the laws or regulations of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described herein.

A Shareholder at the Record Date will customarily receive details of the aggregate number of Rights to which it will be entitled from the financial intermediary through which it holds the Ordinary Shares. The financial intermediary will provide the relevant Shareholders with this information in accordance with its usual customer relationship procedures. Shareholders should contact the financial intermediary through which they hold Ordinary Shares if they are entitled to receive Rights but have received no information from their financial intermediary with respect to the Rights Offering.

If a person holds Ordinary Shares and its Ordinary Shares are registered in the Company's shareholders' register on the Record Date, that person will receive rights to subscribe for Offer Shares and will be sent a letter by the Company, informing that person of the number of Rights to which it is entitled and of the procedures that it must follow to exercise or trade its Rights. Upon exercise of the Rights granted to that person, that person will receive Offer Shares in accordance with and subject to the terms and conditions of this Prospectus.

Only Shareholders who qualify as Eligible Persons during the Exercise Period will be entitled to take up, exercise, sell or otherwise transfer Rights pursuant to the grant of Rights by the Company. Rights granted to Shareholders who are not Eligible Persons shall not constitute an offer of Offer Shares to such person. The Rights will be credited to their account and will not confer any rights upon such person, including the right to take up, exercise, sell or otherwise transfer such credited Rights. They will be entitled to receive cash pro rata to the number of unexercised Rights previously reflected in their securities account. For further information, see "—*Rump Offering—Excess Amount*" below. Receipt of this Prospectus by a person other than an Eligible Person shall not, subject to certain exceptions, constitute an offer of Offer Shares to that person.

The Company urges holders of Rights to carefully study the restrictions described in "*Selling and Transfer Restrictions*".

Record Date

The Record Date for determining the Shareholders who will receive Rights is immediately after the closing of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels at 17:40 hours CET on 23 March 2016.

Until the close of trading in the Ordinary Shares on Euronext in Amsterdam and Euronext in Brussels on the Record Date, Ordinary Shares will trade with Rights (*cum*-Rights). As from 09:00 hours CET on 24 March 2016, Ordinary Shares will trade without the Rights (*ex*-Rights).

Trading in the Rights

Trading in the Rights on Euronext in Amsterdam and Euronext in Brussels is expected to commence at 9:00 CET on 24 March 2016 and expected to continue until 17:40 CET on 6 April 2016, barring unforeseen circumstances.

The Rights will be traded on Euronext in Amsterdam and Euronext in Brussels under the symbol "DLRI" and ISIN code NL0011784020.

The transfer of the Rights will take place through the book-entry form system of Euroclear Nederland. Shareholders who are Eligible Persons and wish to sell all or part of their Rights and are holding their Ordinary Shares through a financial intermediary, should instruct the financial intermediary through which they hold their Rights in accordance with the instructions received from it. Shareholders who are Eligible Persons may also instruct their financial intermediary to buy or sell Rights on their behalf. Shareholders who are interested in trading, buying or selling Rights should be aware that they may be restricted from buying, selling and/or exercising Rights and acquiring Offer Shares if they are located in a jurisdiction other than the Netherlands or Belgium and therefore are not eligible to participate in the Offering. See "*Selling and Transfer Restrictions*".

All trades in Rights and Offer Shares prior to the Settlement Date are at the sole risk of the parties concerned. The Company, the Underwriters, the Subscription, Listing and Paying Agent, Euronext Amsterdam and Euronext Brussels do not accept any responsibility or liability with respect to the withdrawal of the Offering or the related annulment of any transactions in Offer Securities on Euronext in Amsterdam and Euronext in Brussels.

Exercise Period

Subject to the restrictions set out below, an Eligible Person, whether a Shareholder at the Record Date or a subsequent transferee of Rights, may subscribe for Offer Shares by exercising its Rights from 9:00 CET on 24 March 2016 up to 14:00 CET on 7 April 2016, which is the end of the Exercise Period. **The time until which notification of exercise instructions may be validly given may be earlier, depending on the financial intermediary through which the Rights are held.**

If an Eligible Person has not exercised its Rights by the end of the Exercise Period, these can no longer be exercised by the Eligible Person. Once an Eligible Person has validly exercised its Rights, it cannot revoke or modify that exercise unless the Company changes a material term of the Offering or amends this Prospectus in any material respect leading to a supplement to this Prospectus within the meaning of Section 5:23 of the Dutch Financial Supervision Act being published, in which event the holder will have the right, exercisable within two business days after publication of the supplement, to revoke or modify the exercise. Accordingly, once a holder of Rights has validly exercised its Rights, it must pay the Issue Price for the Offer Shares subscribed for, even if the market price of the Ordinary Shares fluctuates below the Issue Price. For trading in the Rights see "*—Rights Offering—Trading in the Rights*" above.

The Company and the Underwriters are not taking any action outside the Netherlands and Belgium to permit the exercise and transfer of Rights by the general public. **The Company urges holders of Rights to carefully study the restrictions described under "*Selling and Transfer Restrictions*".** The Company reserves the right, with sole and absolute discretion, to treat as invalid any subscription or purported subscription which appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws of any jurisdiction or if the Company believes that the same may violate applicable legal or regulatory requirements or may be inconsistent with the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described in "*Selling and Transfer Restrictions*".

Unexercised Rights

After the Exercise Period has ended, any unexercised Rights will continue to be reflected in the securities account of the relevant holder of such Rights solely for the purpose of the distribution of the Excess Amount (as defined in "*—Rump Offering—Excess Amount*"), if any.

Subscription and Payment

An Eligible Person, whether a Shareholder at the Record Date or a subsequent transferee of Rights, who wishes to exercise its Rights, should instruct the financial intermediary through which it holds the Rights in accordance with the instructions received from that financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from Eligible Persons holding Rights and for informing the Subscription, Listing and Paying Agent. See "*—Subscription, Listing and Paying Agent*".

A holder of Rights that exercises its Rights should pay the Issue Price for the Offer Shares subscribed for in accordance with the instructions it receives from the financial intermediary through which it holds the Rights. The financial intermediary will pay the Issue Price to the Subscription, Listing and Paying Agent, who will in turn after deduction of applicable fees and expenses, pay it into an account in the name of the Company for use as described under "*Use of Proceeds and Reasons for the Offering*". Payment for the Offer Shares must be made to the Subscription, Listing and Paying Agent no later than 10:00 am CET on the Settlement Date, which is expected to be on 11 April 2016. **Accordingly, financial intermediaries may require payment to be provided by holders of Rights exercising such Rights prior to the Settlement Date.**

All requirements concerning deadlines, validity and form of instructions to a financial intermediary in relation to the exercise, sale or purchase of Rights will be determined by the relevant financial intermediary in accordance with its usual customer relations procedures or as it otherwise notifies to the holders of Rights.

None of the Company or the Underwriters is liable for any action or failure to act by a financial intermediary through which Ordinary Shares or Rights are held, or by the Subscription, Listing and Paying Agent in connection with any subscriptions or purported subscriptions.

Rump Offering

Rump Shares

The Joint Bookrunners have agreed, on behalf of the Underwriters, subject to the terms and conditions of the Underwriting Agreement, to use their reasonable endeavours to procure subscribers for any Rump Shares through private placements to institutional investors in the Netherlands and in certain other eligible jurisdictions, including in the United States to QIBs pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring such subscribers (including any value added tax). The Underwriters, severally and not jointly or jointly and severally, will subscribe and pay for (i) any Offer Shares subscribed for in the Rights Offering but not paid for by such subscribers on the Settlement Date and (ii) any Rump Shares not sold in the Rump Offering, if any, or sold but not paid for on the Settlement Date, *pro rata* to their respective underwriting commitments at the Issue Price, in accordance with the terms and subject to the conditions of the Underwriting Agreement.

The Rump Offering, if any, is expected to commence as soon as reasonably practicable after the expiry of the Exercise Period and in any event by no later than 17:30 CET on the trading day after the expiry of the Exercise Period.

Excess Amount

If, upon completion of the Rump Offering, if any, the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, exceed the aggregate Issue Price for such Rump Shares, such amount will constitute the "Excess Amount". Each holder of a Right that was not exercised at the end of the Exercise Period will be entitled to receive from the Underwriters, except as noted below, a payment in respect of such holders' unexercised Rights (the "Unexercised Rights Payment"). If the Excess Amount divided by the total number of unexercised Rights is less than EUR 0.01, no Unexercised Rights Payment will be made to the holders of any unexercised Rights, and instead, any such Excess Amount will be retained by the Underwriters for their own benefit. The Company will announce whether Unexercised Rights Payments are available for payment to holders of unexercised Rights by means of a press release published in the Netherlands and placed on the Company's website.

The Unexercised Rights Payment, if any, will be paid to holders of unexercised Rights as soon as practicable after the Settlement Date and will be credited to those holders through the facilities of Euroclear Nederland. Unexercised Rights Payments will be made in euro only without interest and after withholding of any applicable taxes.

If the Company has announced that an Excess Amount is available for payment to holders of unexercised Rights and such holder has not received the Unexercised Rights Payment promptly following the closing of the Rump Offering, such holder should contact the financial intermediary through which it holds unexercised Rights. The Company, the Underwriters and the Subscription, Listing and Paying Agent cannot guarantee that the Rump Offering, if any, will be successfully completed. If the Rump Offering takes place, none of the Company nor the

Underwriters, the Subscription, Listing and Paying Agent, or any other person procuring purchasers for the Rump Shares, will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares in the Rump Offering. The holders of unexercised Rights have no claim against the Company, the Underwriters, the Subscription, Listing and Paying Agent or any other party in respect of any Unexercised Rights Payment.

If the Rump Offering is not successfully commenced on or about 7 April 2016 or commences but does not close, holders of unexercised Rights will not receive any payment in respect thereof.

The Company will not be entitled to receive any part of any Excess Amount.

The Company cannot guarantee that the Offering will yield Excess Amounts

Pursuant to the Underwriting Agreement, the Joint Bookrunners have, on behalf of the Underwriters, agreed to use their reasonable efforts to place the Rump Shares in the Rump Offering. Neither the Company nor the Joint Bookrunners can guarantee that the Rump Offering, if any, will be successfully completed. The price per Rump Share must be at least equal to the Issue Price, plus any expenses related to procuring purchasers in the Rump Offering (including any value added tax). If the Rump Offering takes place, neither the Company, nor the Joint Bookrunners, nor the Subscription, Listing and Paying Agent, nor any other person procuring purchases for the Rump Shares, will be responsible for any lack of Excess Amount arising from any placement of the Rump Shares.

Allotment of Offer Shares

Allotment of Offer Shares issued pursuant to the Offering is expected to take place on 8 April 2016 and will be notified by means of a press release which will also be placed on the Company's website.

Settlement and Listing of the Offer Shares

Payment for and delivery of the Offer Shares is expected to take place on 11 April 2016. Delivery of the Offer Shares will take place through the book-entry system of Euroclear Nederland. The address of Euroclear Nederland is Herengracht 459-469, 1017 BS Amsterdam, the Netherlands. Application has been made to admit the Offer Shares to listing and trading on Euronext in Amsterdam and Euronext in Brussels. It is expected that the Offer Shares will be admitted to listing and trading, and that trading in the Offer Shares will commence on Euronext in Amsterdam and Euronext in Brussels at 09:00 CET on 11 April 2016. The Ordinary Shares are listed on Euronext in Amsterdam and Euronext in Brussels under the symbol "DL" and ISIN code NL0009294552.

All dealings in Rights and Offer Shares prior to, and after, closing of the Offering are at the sole risk of the parties concerned. Any forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights. There will be no refund of any Rights purchased in the market. Euronext Amsterdam, Euronext Brussels, the Company, the Underwriters and the Subscription, Listing and Paying Agent do not accept any responsibility or liability with respect to any person as a result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext in Amsterdam and Euronext in Brussels or Offer Shares on Euronext in Amsterdam and Euronext in Brussels.

Conditions to the Offering

Each of the Rights Offering and the Rump Offering, if any, is subject to certain conditions. See "*Plan of Distribution—Conditions to the Offering and Termination Rights*".

Arrangements with a Major Shareholder

As described in "*Business—Overview—Recent Developments*", one of the Company's major shareholders, Fubon, has agreed to exercise the Rights in respect of the Ordinary Shares it holds on the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights. In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share.

Subscription, Listing and Paying Agent

In respect of the Offering, ABN AMRO Bank N.V., is acting as Subscription, Listing and Paying Agent. The Subscription, Listing and Paying Agent will accept subscriptions for the Offer Shares. The financial intermediary through which Eligible Persons hold their Rights will be responsible (except for subscriptions on Rights held by Shareholders in registered form or their transferees which should be addressed to the Company) for collecting instructions from them and for informing the Subscription, Listing and Paying Agent of their exercise instructions.

Dilution

Shareholders who transfer, or who do not or are not permitted to exercise, any of their Rights granted under the Rights Offering will suffer a dilution of their proportionate ownership and voting rights of approximately 49.9% as a result of the issue of the Offer Shares.

Ranking and Dividends

The Offer Shares will, upon issue, rank *pari passu* in all respects with the, at that the time, outstanding Ordinary Shares. The Offer Shares will be eligible for any dividend payment which the Company may declare on Ordinary Shares after the Settlement Date. See "*Dividends and Dividend Policy*".

Non-Dutch Taxes or Duties

Purchasers of the Offer Shares may be required to pay stamp taxes or duties and other taxes or duties in accordance with the laws and practices of the county of purchase in addition to the Issue Price. In respect of Belgium, for the avoidance of doubt, the tax on stock exchange transactions is *not* due for subscriptions of newly-issued shares (i.e. a primary market-transaction such as in the case at hand).

Costs

In connection with the Offering, the Company anticipates that it will receive total gross proceeds of approximately EUR 648.6 million. After deducting estimated costs related to the Offering of approximately EUR 21.2 million, the Company anticipates that it will receive net proceeds of approximately EUR 627.4 million.

Currency

The Offering will be carried out and trading in the Rights will be effected in euros. The Offer Shares will be denominated in euros. Distributions, if any, will also be made in euros.

PLAN OF DISTRIBUTION

Underwriting Arrangements

Under the terms and subject to the conditions set forth in the Underwriting Agreement, the Joint Bookrunners, on behalf of the Underwriters, have agreed to use their reasonable endeavours to procure subscribers for the Rump Shares (if any) through private placements to qualified investors in the Netherlands and in certain other eligible jurisdictions, at a price per share that is to be determined but that is at least equal to the Issue Price plus any expenses related to procuring such subscribers (including any value added tax). The Underwriters shall, subject to the satisfaction of the conditions contained in, and on the terms of, the Underwriting Agreement, themselves subscribe for any Offer Shares or Rump Shares validly subscribed for in the Rights Offering or the Rump Offering, respectively, but not paid for, and any Rump Shares not validly subscribed for in the Rump Offering in proportion to such percentage underwriting commitments indicated below.

Underwriters	Percentage
Goldman Sachs International	40%
Merrill Lynch International	25%
Barclays Bank PLC	25%
ABN AMRO Bank N.V.	5%
Coöperatieve Rabobank U.A. (Rabobank)	5%
Total	**100%**

The Rump Shares comprise Offer Shares that were issuable upon exercise of Rights but have not been subscribed for during the Exercise Period.

The obligations of the Underwriters are several and not joint and each Underwriters shall be responsible only for its proportionate share of the remaining Rump Shares and therefore no Underwriter shall have any liability or obligation in respect of any default by another.

In the Underwriting Agreement, the Company has given certain customary representations, warranties and undertakings to the Underwriters. In addition, the Company has agreed to indemnify the Underwriters against certain customary liabilities in connection with the Offering.

The total underwriting commission, including a fee in respect of a standby arrangement, in relation to the Offering amounts to approximately EUR 17.1 million.

Goldman Sachs International is the Global Coordinator and, together with Merrill Lynch International and Barclays Bank PLC, the Joint Bookrunners, and ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank) are the Co-Managers.

Conditions to the Offering and Termination Rights

Settlement of the Offering may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date.

The Underwriting Agreement provides that the obligations of the Underwriters thereunder are subject to the following conditions: (i) the approval of the Prospectus by the AFM being in full force and effect, (ii) receipt of opinions on certain legal matters from counsel, relating to, amongst other things, the Company, the Underwriting Agreement, this Prospectus, the Rights and the Offer Shares, (iii) receipt of customary officers' certificates, (iv) the absence of a material adverse change, or any development reasonably likely to involve a material adverse change, in the financial condition or in the prospects, earnings, solvency, liquidity position, funding position, business or operations of the Company and its subsidiaries taken as a whole or in financial markets since the date of the Underwriting Agreement, (v) the admission of the Rights to listing and trading on Euronext in Amsterdam and Euronext in Brussel occurring no later than 9:00 a.m. CET on 24 March 2016 (or such later time and/or date, being no later than 7 April 2016, as the Company and the Joint Bookrunners may agree) and (vi) the Company not having published an amendment or supplement to the Prospectus in order to ensure that it reflects an important new event or does not contain an untrue statement of, or omits to state, a material fact and (vii) other customary closing conditions, most notably in respect of the accuracy of warrants by the Company, required disclosures by the Company having been made and the Company having complied with the terms of the Underwriting Agreement. In addition, the Joint Bookrunners, on behalf of the Underwriters, have the right to terminate the Underwriting Agreement in certain customary circumstances including, but not limited to (i) the occurrence of a material adverse change in the financial condition or in the prospects, earnings, solvency, liquidity position, funding position, business or operations of the Group, (ii) certain changes in the financial, political or economic conditions and (iii) a statement in the Prospectus or any amendment or supplement to the Prospectus being untrue, inaccurate or misleading.

If settlement does not take place on the Settlement Date as planned or at all, the Offering will be withdrawn, the obligations of the Underwriters to procure subscribers for, or themselves to subscribe and pay for any Rump Shares or Offer Shares (as the case may be) will lapse and both the exercised and unexercised Rights will be forfeited without compensation to their holders and the Offer Shares will not be offered or allocated. Any subscription payments received by the Company will be returned without interest. Any such forfeiture of Rights will be without prejudice to the validity of any settled trades in the Rights, but non-settled trades will be deemed null and void. There will be no refund in respect of any Rights purchased in the market.

All dealings in Rights prior to the closing of the Offering are at the sole risk of the parties concerned. Euronext Amsterdam, Euronext Brussels, the Company, the Underwriters and the Subscription, Listing and Paying Agent do not accept any responsibility or liability to any person as result of the withdrawal of the Offering or (the related) annulment of any transactions in Rights on Euronext in Amsterdam and Euronext in Brussels.

Lock-up Period Arrangements

The Company undertakes to each of the Underwriters that, without the prior written consent of the Global Coordinator, on behalf of the Underwriters, it will not, during the period ending 180 days after the Settlement Date, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for such Ordinary Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Ordinary Shares, whether any such transaction described in (1) or (2) above is to be settled by delivery of Ordinary Shares or such other securities, in cash or otherwise. The foregoing sentence does not apply upon the exercise of an option or warrant or the conversion of a security outstanding on the date of the Underwriting Agreement of which the Underwriters have been advised in writing and any issuances or payments under employee remuneration or incentive schemes as applicable in the Company.

Potential Conflicts of Interest

The Underwriters are acting exclusively for the Company and for no one else and will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to, respectively, the Offering and the listing of the Offer Shares or any transaction or arrangement referred to herein.

Certain of the Underwriters and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Company and/or its affiliates, in respect of which they have received, and may in the future receive, customary fees and commissions.

In connection with the Offering, each of the Underwriters and any of its respective affiliates may take up the Rump Shares (if any) as a principal position and, in that capacity, may retain, purchase or sell for its own account such securities and any securities of the Company or related investments, and may offer or sell such securities or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to the Offer Shares or the Rump Shares being offered or placed should be read as including any offering or placement of securities to any of the Underwriters and any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financial arrangements (including swaps) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of securities including the Offer Shares. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

As a result of acting in the capacities described above, the Underwriters may have interests that may not be aligned, or could potentially conflict, with investors' and Delta Lloyd's interests.

SELLING AND TRANSFER RESTRICTIONS

Notice to Investors

The grant of Rights and issue of Offer Shares upon exercise of Rights to persons resident in, or who are citizens of, a particular jurisdiction may be affected by the laws of that jurisdiction. Investors should consult their professional advisers as to whether they require any governmental or any other consent or need to observe any other formalities to enable the investor to exercise Rights or to accept, sell or purchase the Offer Shares.

No action has been or will be taken to permit a public offering of the Rights or the Offer Shares in any jurisdiction other than the Netherlands and Belgium. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus will be sent for information purposes only and should not be copied or redistributed. If an investor receives a copy of this Prospectus, the investor may not treat this Prospectus as constituting an invitation or offer to the investor of the Rights or the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Rights and the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus or any other offering materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in or into any jurisdiction where to do so would or may contravene local securities laws or regulations. If an investor forwards this Prospectus or any other offering materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient’s attention to the contents of this section.

Persons into whose hands this Prospectus comes are required by the Company and the Underwriters to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Securities or have in their possession or distribute such Prospectus, in all cases at their own expense. Neither the Company or the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Securities, of any such restrictions.

In accordance with the terms and subject to certain exceptions:

a) the Rights being granted in the Offering may be exercised only by an Eligible Person, subject to applicable securities laws;

b) the Rights being granted or Offer Shares being offered in the Offering may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, in or into jurisdictions other than the Netherlands or Belgium where the Rights and the Offer Shares may not be offered pursuant to applicable law, including, but not limited to, the United States, Australia, Canada, Hong Kong, Singapore, South Africa and Japan, subject to certain limited exceptions (the “Ineligible Jurisdictions”); and

c) this Prospectus may not be sent to:

    i. any person residing in an Ineligible Jurisdiction or with a citizenship from an Ineligible Jurisdiction such that he cannot lawfully receive the Rights or participate in the Offering; or

    ii. any Shareholder or any other person residing in a jurisdiction other than the Netherlands or Belgium where the Rights and the Offer Shares may be offered, but to whom certain restrictions apply, as set out in this section, as a result of which he or she cannot receive the Rights or lawfully participate in the Offering (such a person being an “Ineligible Person”).

In this Prospectus, persons who are not Ineligible Persons are referred to as “Eligible Persons”.

Investors (including, without limitation, any investor’s nominees and trustees) wishing to subscribe for the Offer Shares or to trade in the Rights, must satisfy themselves as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this section is intended as a general guideline only. Investors that are in any doubt as to whether they are eligible to subscribe for the Offer Shares or to exercise the Rights, should consult their professional advisers without delay.

Representations and Warranties by Investors in the Offering

Subject to certain exceptions, if a person (i) takes up, delivers or otherwise transfers the Rights, (ii) exercises the Rights to subscribe for the Offer Shares or (iii) purchases, subscribes for, trades or otherwise deals in the Rights granted or the Offer Shares offered in the Offering, such person will be deemed, by accepting delivery of this Prospectus, to have made, and, in some cases, be required to make, the following representations and warranties to the Company, the Underwriters and the Subscription, Listing and Paying Agent and any person acting on the Company's or their behalf, unless such requirement is waived by the Company and the Underwriters:

a) It is not located in an Ineligible Jurisdiction.

b) It is not an Ineligible Person.

c) It is not acting, and has not acted, for the account or benefit of an Ineligible Person.

d) It will not offer, sell or otherwise transfer either a Right or an Offer Share to any person located in the United States (which will be deemed to be satisfied when trading Rights or Offer Shares in the marketplace through Euronext in Amsterdam or Euronext in Brussels).

e) It was a Shareholder at 17:40 CET on the Record Date or such person legally acquired Rights, directly or indirectly, from such Shareholder.

A person who can make the representations and warranties described above shall be deemed an Eligible Person for the purposes of the Offering.

The Company, the Subscription, Listing and Paying Agent and the Underwriters and any persons acting on behalf of the Company, the Subscription, Listing and Paying Agent or the Underwriters will rely upon representations and warranties made by any person. Any provision of false information or subsequent breach of these representations and warranties may subject any person who made and breached these representations and warranties to liability. The Company, the Subscription, Listing and Paying Agent and the Underwriters reserve the right, in their sole and absolute discretion, to reject any purchase of Rights and Offer Shares that the Company, the Subscription, Listing and Paying Agent or the Underwriters believe may give rise to a breach or violation of any law, rule or regulation.

If a person is acting on behalf of an eligible holder of Rights (including, without limitation, as a nominee, custodian or trustee), such person will be required to provide the foregoing representations and warranties to the Company, the Subscription, Listing and Paying Agent and the Underwriters with respect to the exercise of Rights on behalf of such eligible holder. If a person does not or is unable to provide the foregoing representations and warranties, neither the Company, the Subscription, Listing and Paying Agent nor the Underwriters will be bound to authorise the allocation of any of the Offer Shares being offered in the Offering to such person or the person on whose behalf such person is acting; neither will they be liable for any damages incurred as a result thereof. If a person (including, without limitation his/her nominees and trustees) is outside the Netherlands and wishes to exercise or otherwise deal in his/her Rights or subscribe for the Offer Shares, such person must satisfy himself/herself as to the observance of all applicable laws of all relevant territories, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in this section are intended as a general guide only. If a person is in any doubt as to whether such person is eligible to exercise its Rights or subscribe for the Offer Shares, such person should consult a professional adviser without delay.

The Rights will initially be credited to the financial intermediaries for the accounts of all Shareholders who hold Ordinary Shares in custody through such financial intermediary on the Record Date. A financial intermediary may not exercise any Right on behalf of any Ineligible Person and will be required in connection with any exercise of the Rights to certify to such effect.

Financial intermediaries are not permitted to send this Prospectus or any information about the Offering into any Ineligible Jurisdiction or to any Ineligible Persons. The crediting of Rights to the account of Ineligible Persons does not constitute an offer of the Offer Shares to such persons. Financial intermediaries, which include brokers, custodians and nominees, holding for Ineligible Persons may consider selling any and all Rights held for the benefit of such persons to the extent permitted under their arrangements with such persons and applicable law and to remit the net proceeds to the accounts of such persons.

Exercise instructions or certifications sent from or postmarked in any Ineligible Jurisdiction will be deemed to be invalid and the Rights and the Offer Shares will not be delivered to addresses inside any Ineligible

Jurisdiction. The Company, the Subscription, Listing and Paying Agent and the Underwriters reserve the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in an Ineligible Jurisdiction for acceptance, revocation of exercise or delivery of such Rights and Offer Shares, who is unable to represent or warrant that such person is not an Ineligible Person, who is not acting on a discretionary basis for such persons, or who appears to the Company or its agents to have executed its exercise instructions or certifications in, or dispatched them from, an Ineligible Jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Rights that appears to the Company to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or if the Company believes that the same may violate or be inconsistent with applicable legal or regulatory requirements, the procedures and terms set out in this Prospectus or in breach of the representations and warranties to be made by an accepting holder, as described in this Prospectus.

Despite any other provision of this Prospectus, the Company, the Subscription, Listing and Paying Agent and the Underwriters reserve the right to permit any person to exercise its Rights if the Company, the Subscription, Listing and Paying Agent and the Underwriters, in the Company's absolute discretion, are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company, the Subscription, Listing and Paying Agent and the Underwriters do not accept any liability for any actions that any person takes or for any consequences that any person may suffer by the Company accepting that person's exercise of Rights.

Selling Restrictions

United States

The Offer Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Persons in the United States may not exercise Rights in order to subscribe for Offer Shares, subject to certain exceptions. Any person in the United States wishing to subscribe for the Offer Shares must execute and deliver an investor letter to, and in a form satisfactory to, the Company and the Underwriters.

The Rump Offering is being extended (i) in the United States, to persons reasonably believed to be QIBs or if any such person is buying for one or more institutional accounts of which such person is acting as fiduciary or agent, only when the relevant Underwriter reasonably believes that each such account is a QIB, in reliance on Rule 144A or pursuant to another exemption from or in a transaction not subject to the registration requirements of the Securities Act; and (ii) outside the United States, in offshore transactions within the meaning of and in accordance with Rule 903 under Regulation S.

In addition, until 40 days after the Settlement Date, an offer, sale or transfer of the Offer Securities within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer, sale or transfer is made otherwise than pursuant to Rule 144A.

The Offer Securities have not been approved or disapproved by the United States Securities and Exchange Commission or any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Any offer or sale of Offer Securities in reliance on an exemption from, or transaction not subject to, the registration requirements of the Securities Act will be made by broker dealers who are registered as such under the Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive other than the Netherlands and Belgium (each a "Relevant Member State") an offer to the public of any Offer Securities may not be made in that Relevant Member State, except that the Offer Securities may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- by the Underwriters to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Coordinator for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Securities shall result in a requirement for the publication by the Company or any Underwriter of a Prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires the Offer Securities or to whom any offer is made will be deemed to have represented, warranted and agreed to with the Underwriters and the Company that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)I of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Securities to the public" in relation to any Offer Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

United Kingdom

This Prospectus is only being distributed to and is only directed at Qualified Investors (i) who have professional experience in matters relating to investments falling within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) falling within Article 49(2)(a) to (d) of the Order; and (iii) any other person to whom it can otherwise be lawfully distributed (all such persons together being referred to as "relevant persons"). The Offer Securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, (i) in the United Kingdom, relevant persons and (ii) in any member state of the EEA other than the United Kingdom and the Netherlands, qualified investors. This Prospectus and its contents should not be acted upon or relied upon (i) in the United Kingdom, by persons who are not relevant persons or (ii) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

Taiwan

The Offer Securities have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorised to offer or sell the Offer Securities in Taiwan, the Republic of China.

Certain other jurisdictions

Subject to certain limited exceptions, the Offering will not be made to persons who are residents of Australia, Canada, Hong Kong, Japan, Singapore and South Africa, or in any jurisdiction in which such Offering would be unlawful.

Transfer Restrictions

The Offer Securities have not been and will not be registered under the Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, subscribed for, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Transfer of Offer Shares outside the United States

Each purchaser of Offer Shares outside the United States in compliance with Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus, and that:

(1) the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Securities have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(6) the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(8) the Company, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Transfer of Offer Shares within the United States

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from the registration requirements of the Securities Act must meet certain requirements in order to be considered Eligible Persons and will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus, and that:

(1) it is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the Offer Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) it: (i) is a QIB; (ii) is aware that the sale to it is being made pursuant to an exemption from the registration requirements of the Securities Act; and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB;

(4) the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

(5) if in the future, it decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) pursuant to an effective registration statement under the Securities Act, (ii) to a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States pursuant to Rule 904 under Regulation S under the Securities Act in an "offshore transaction" (and not in a pre-arranged transaction resulting in the resale of such offer shares into the United States) or (iv) in accordance with Rule 144 (if available) under the Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction;

(6) the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any Offer Shares;

(7) it will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(10) the Company, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Any person in the United States wishing to subscribe for the Offer Shares must execute and deliver an investor letter to, and in a form satisfactory to, the Company and the Underwriters.

GENERAL INFORMATION

Authorisation

On 16 March 2016, the General Meeting authorised the Executive Board as the competent body to, subject to the approval of the Supervisory Board, grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights of Shareholders in relation to the Offering.

On 16 March 2016, the Executive Board resolved, subject to the approval of the Supervisory Board, to grant the Rights and to issue the Offer Shares and to validly exclude the statutory pre-emptive rights (*wettelijke voorkeursrechten*) of Shareholders in relation to the Offering. In addition, a pricing committee was formed in connection with the Offering consisting of the chairman of the Executive Board and the chairman of the Supervisory Board (the "Pricing Committee"), which has the authority to pass any and all resolutions on behalf of the Executive Board and the Supervisory Board in connection with the Offering. The Supervisory Board approved, ratified and confirmed the aforementioned resolutions of the Executive Board on 16 March 2016. On 21 March 2016, the Pricing Committee resolved on the final terms of the Offering.

The Company

Delta Lloyd N.V. (commercial name: Delta Lloyd) has the legal form of a public limited liability company (*naamloze vennootschap*) and is incorporated and existing under Dutch law by a notarial deed dated 30 January 1968. The Company has its corporate seat in Amsterdam, the Netherlands and its registered office is at Amstelplein 6, 1096 BC Amsterdam, the Netherlands with the following telephone number: +31 (0)20 594 91 11. The Company is registered in the Commercial Register of the Chamber of Commerce (*Kamer van Koophandel*) under number 33121461.

Together with its subsidiaries, the Company provides life and pension insurance, long-term savings products, most classes of general insurance, banking and asset management. The activities are carried out through subsidiaries, associates and branches in the Netherlands and Belgium mainly.

Significant Change

There has been no significant change in the financial or trading position of the Group between 31 December 2015 and the date of this Prospectus.

Recent Developments

The Supervisory Board intends to nominate two or three new members of the Supervisory Board to be appointed at the General Meeting. DNB and the AFM have already approved the planned appointment of one of them, who is a senior finance professional with board experience, over 25-years of experience in the UK Life business and a strong insurance and risk management background.

Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate the second person because of their focus on IT, E-commerce, digital marketing and big data. Subject to selection procedure and assessments on integrity and suitability by DNB and the AFM, the Supervisory Board intends to nominate a third person, a senior insurance professional with a broad international senior management experience and a strong senior financial, commercial, strategic and general management background. The Company intends to issue press releases if and when the nominations occur.

On 16 March 2016, the Company held an extraordinary general meeting at which the Shareholders resolved, amongst other things, to approve the Rights Offering.

On 16 March 2016, Fubon and the Company signed the Fubon Heads of Agreement agreeing that pending discussions concerning an enhanced partnership should continue and detailing certain arrangements which are intended to form the basis for further discussion. Fubon is a subsidiary of Fubon Financial Holding Co., Ltd., a financial holding company that offers financial services in Taiwan, Hong Kong and China, including banking, insurance and asset management. Under the Fubon Heads of Agreement:

- Fubon committed to vote in favour of the Offering at the extraordinary general meeting and to exercise all Rights allocated to it in respect of its then current 7.13% shareholding in the Company, as well as in respect of any other Ordinary Shares acquired before the ex-rights date. Fubon will pay the same Issue Price as other holders who exercise Rights and will otherwise participate in the Offering on the same terms and conditions.

- The Company agreed to nominate (through its Supervisory Board) one individual designated by Fubon to the Supervisory Board and recommend its Shareholders vote in favour of, and otherwise use reasonable best efforts to cause, the election of such Fubon designee to the Supervisory Board so long as Fubon maintains at least a 15% ownership position (on a fully diluted basis) in the Company, subject to (i) Fubon's nominee passing the suitability test (*geschiktheidstoets*) and reliability test (*betrouwbaarheidstoets*) of DNB and ECB and (ii) finalisation of the Company's mandatory employee consultation process.
- If Fubon reaches a 15% ownership position (on a fully diluted basis), Fubon and the Company would promptly negotiate in good faith to enter into a relationship agreement on terms customary for other relationship agreements in the Dutch market, including customary standstill agreements (i.e. Fubon not increasing its shareholding above 20% without the prior written approval of the Company) and provisions relating to the exchange of information and Fubon's nomination rights described above.
- The Company agreed to take all actions as may be reasonably requested by Fubon in order for Fubon to obtain clearance, including a declaration of no objection, from DNB and the ECB to increase its ownership above 10% and to reasonably support Fubon in obtaining the necessary legal and regulatory approvals in its home jurisdiction

In addition, based on the Fubon Heads of Agreement (which acknowledges that Fubon wishes to reach a 15% ownership interest in the Company (on a fully diluted basis)), subject to regulatory clearances, Fubon may take up a significant portion of the Rump Shares as part of any Rump Offering. All purchasers of Rump Shares will pay the same price per Rump Share.

Having obtained the prior agreement in principle of the Joint Bookrunners, the Company agreed with Fubon in the Fubon Heads of Agreement to cause the Joint Bookrunners to include Fubon as a sub-underwriter in connection with the Offering. However, Fubon has confirmed to the Company and the Joint Bookrunners that it decided not to participate as a sub-underwriter and, for the avoidance of doubt, will not receive any fee from the Company or Underwriters in respect of the Offering.

Fubon and the Company have also agreed to explore opportunities for business co-operation for the benefit of both groups, for example asset management opportunities, reinsurance agreements and knowledge exchange. Any such arrangements will be on an arm's length basis.

On 4 March 2016, a shareholder, Highfields commenced inquiry proceedings (*enquêteprocedure*) before the Enterprise Chamber seeking an independent investigation (*enquête*) into the policy and affairs of the Company dating from 1 August 2015 and to have the Enterprise Chamber appoint an independent expert to conduct such investigation. Highfields' application to the Enterprise Chamber also contained a petition for immediate injunctive relief with the effect of prohibiting the vote on the Rights Offering at the extraordinary general meeting planned for 16 March 2016. Another shareholder, Fubon, filed a statement with the Enterprise Chamber supporting Highfields' requests on 10 March 2016, although it did not file a claim of its own. The Enterprise Chamber rejected Highfields' requests for immediate injunctive relief on 14 March 2016. The Enterprise Chamber has not yet issued a judgment on Highfields' request to order an independent investigation into the policy and affairs of the Company. In view of the urgency of the matter, the hearing that took place on 14 March 2016 and the Enterprise Chamber's judgment of the same date only concerned Highfields' requests for immediate injunctive relief. The Enterprise Chamber has reserved judgment on the request for an independent investigation and a separate hearing will be scheduled to hear the parties' arguments with respect to this request.

On 24 February 2016, the Supervisory Board announced that it planned to appoint Leon van Riet (51) as member of the Executive Board. The Supervisory Board will inform shareholders of the planned appointment of Leon van Riet at the General Meeting to be held on 19 May 2016, which will be followed by his formal appointment by the Supervisory Board. Leon van Riet is to succeed Onno Verstegen, who resigned as member of the Executive Board on 1 February 2016. DNB and the AFM have approved the planned appointment. Leon van Riet held several positions within the Group as of 1999 and has been Managing Director of DLL since October 2010. Leon van Riet assumed his position at the Group as an upcoming member of the Executive Board on 1 March 2016.

On 16 November 2015, the Supervisory Board announced that it planned to appoint Clifford Abrahams as chief financial officer and member of the Company's Executive Board with effect from 1 January 2016. The Supervisory Board notified shareholders of the planned appointment at an extraordinary general meeting on 16 March 2016, following which Clifford Abrahams was formally appointed.

On 13 November 2015, the Group sold its office investment portfolio in the Netherlands to Singapore-based First Sponsor Group Limited (Ltd) for EUR 226 million. The portfolio comprised 18 prime location office buildings in the Netherlands, of which 16 were fully-owned and 2 partially owned by the Group. Some of these buildings, including the Mondriaan Tower in Amsterdam, are in use by the Group and the Group will remain in these buildings as a tenant. Following this sale, the Group has divested almost its entire office portfolio in the Netherlands.

On 21 August 2015, the Supervisory Board announced the appointment of Rob Ruijter to succeed Jean Frijns as Chairman of the Supervisory Board, with effect from 1 October 2015. Rob Ruijter has been a member of the Supervisory Board since 2014.

On 22 July 2015, the Group announced the successful completion of the sale of Delta Lloyd Bank Belgium to the Chinese insurance company Anbang. The distribution agreement between Delta Lloyd Life Belgium and Delta Lloyd Bank Belgium was transferred to Anbang as part of the transaction. The sale of the Group's banking activities in Belgium was in line with the Group's strategy to strengthen its focus on insurance and selected banking products.

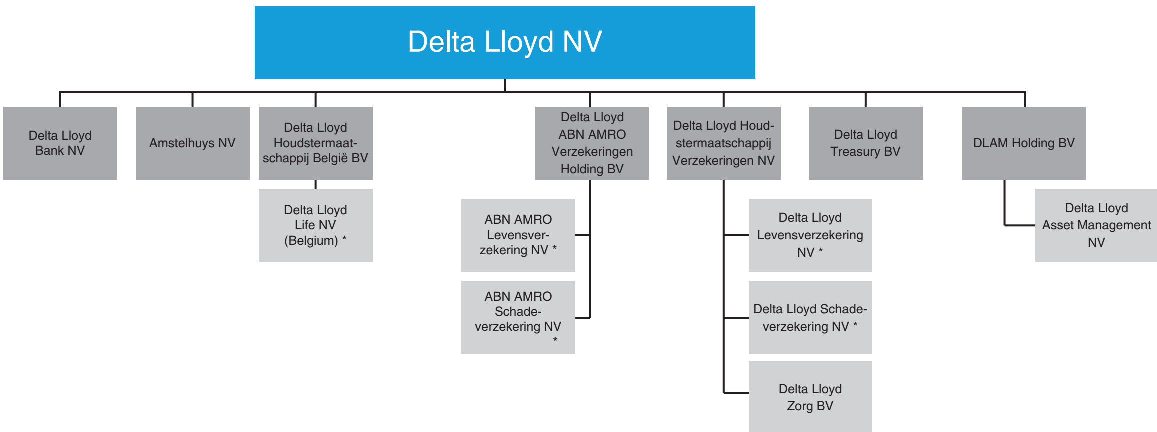
On 16 March 2015, the Company announced that it had successfully completed an equity offering of 19.9 million new Ordinary Shares via an accelerated book build. A significant number of the shares issued in the offering were allocated to a single new investor (Fubon). The Company used the authorisation of the annual shareholders' meeting from May 2014 permitting the issue of new Ordinary Shares representing up to 10% of its issued share capital.

On 24 February 2015, the Supervisory Board announced that it planned to appoint Annemarie Mijer-Nienhuis as chief risk officer and member of the Group's Executive Board from 21 May 2015. The Supervisory Board notified shareholders of the planned appointment at the annual shareholders' meeting on 21 May 2015, following which Annemarie Mijer-Nienhuis was formally appointed.

In 2010, the Group's German life business, Delta Lloyd Deutschland, stopped selling new business and was placed into run-off. On 1 October 2015, the Group announced the successful completion of the sale of 100% of the shares in Delta Lloyd Deutschland to Athene. The sale was consistent with the Group's strategic focus on its core markets in the Netherlands and Belgium.

Organisational Structure

The chart below illustrates the Group structure outlining the most important operational entities:



* Insurance entity subject to prudential supervision (DNB, NBB)

Material Subsidiaries

The Company is the holding company of a group that includes the following material subsidiaries and significant investments (held directly or indirectly by the Company) at the date of this Prospectus, all of which are engaged in the Company's field of activity or related activities, including the ownership of trademarks and licences related to the Group's business:

Material subsidiaries	Country of incorporation	Field of activity	Shareholding and voting percentage held by the Company (directly or indirectly)
Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	The Netherlands	Insurance	100%
Delta Lloyd Levensverzekering N.V.	The Netherlands	Life Insurance	100%
Delta Lloyd Schadeverzekering N.V.	The Netherlands	General Insurance	100%
Delta Lloyd ABN AMRO Verzekeringen Holding B.V.	The Netherlands	Insurance	51%
ABN AMRO Levensverzekering N.V.	The Netherlands	Life Insurance	51%
ABN AMRO Schadeverzekering N.V.	The Netherlands	General Insurance	51%
Delta Lloyd Houdstermaatschappij België B.V.	The Netherlands	Insurance	100%
Delta Lloyd Life NV/SA.	Belgium	Life Insurance	100%
Delta Lloyd Bank N.V.	The Netherlands	Bank-related Activities	100%
DLAM Holding B.V.	The Netherlands	Asset Management	100%
Amstelhuys N.V.	The Netherlands	Bank-related Activities	100%

Availability of Documents

Subject to any applicable selling and transfer restrictions (see "*Selling and Transfer Restrictions*"), from the date of publication, and throughout the time it remains valid, copies of this Prospectus as well as of any supplements and update communications will be available on the Company's website (http://www.deltalloyd.com), and printed versions of this Prospectus as well as of any supplements and update communications will be available at the registered office of the Company during normal business hours at no cost. In addition, copies of the following documents will be available on the Company's website (http://www.deltalloyd.com), and printed versions of the following documents will be available at the registered office of the Company during normal business hours at no cost:

- 2015 Financial Statements, including the audit report of EY, which are on pages 65 to 230 of the English language Delta Lloyd Annual Report 2015 (excluding any documents incorporated by reference in such pages);
- 2014 Financial Statements, including the audit report of EY, which are on pages 122 to 287 of the English language Delta Lloyd Annual Report 2014 (excluding any documents incorporated by reference in such pages); and
- Original 2013 Financial Statements, including the audit report of EY, which are on pages 172 to 379 of the English language Delta Lloyd Annual Report 2013 (excluding any documents incorporated by reference in such pages).

Independent Auditors

The Group's 2015 Financial Statements, 2014 Financial Statements and the Original 2013 Financial Statements have been audited by EY. EY has issued an unqualified auditors' report dated 23 February 2016 on the 2015 Financial Statements, an unqualified auditors' report dated 20 March 2015 on the 2014 Financial Statements and an unqualified auditors' report dated 2 April 2014 on the Original 2013 Financial Statements.

The auditors' reports in respect of the 2015 Financial Statements, 2014 Financial Statements and the Original 2013 Financial Statements incorporated by reference herein are included in the form and context in which they appear with the consent of EY, who have authorised the contents of these auditors' reports.

Consulting Actuaries

Towers Watson Netherlands B.V. ("Willis Towers Watson"), Consulting Actuaries, whose business address is Prof. E.M. Meijerslaan 5, 1183 AV Amstelveen, The Netherlands, has undertaken an independent actuarial review of the methodology and assumptions used by the Company for their Solvency II calculations. Willis Towers Watson's report, which is included in ''*Annex: Consulting Actuaries' Report*'' of this Prospectus, sets out the scope of their review and their resulting opinion. Willis Towers Watson has given, and has not withdrawn, its consent to the inclusion of its report in this Prospectus in the form and context in which it is included.

DEFINITIONS

The following definitions are used throughout this Prospectus:

2014 Financial Information	means the comparative figures in the consolidated financial statements as at and for the year ended 31 December 2014 contained in the 2015 Financial Statements
2014 Financial Statements	means the adjusted consolidated financial statements at and for the year ended 31 December 2014
2015 Financial Statements	means historical consolidated financial statements at and for the year ended 31 December 2015
ABN AMRO Group	means ABN AMRO Group N.V.
ABN AMRO Insurance	means the brand of insurance products marketed and sold by Delta Lloyd ABN AMRO Verzekeringen
AER	means the asset encumbrance ratio
AEX Index	means the free float market capitalisation weighted index that reflects the performance of the 25 largest and most actively traded shares listed on Euronext in Amsterdam
ACM	means the Authority for Consumers and Markets (*Autoriteit Consument en Markt*)
AFM	means the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*)
AFS	means available-for-sale financial assets
Amstelhuys	means Amstelhuys N.V.
Anbang	means Anbang Insurance Group Co. Ltd
APF	means general pension funds institutions (*Algemeen Pensioenfonds*)
Articles of Association	means the articles of association of the Company as in force on the date of this Prospectus
a.s.r.	means ASR Nederland N.V.
Athene	means Athene Holding Ltd.
Athene Deustchland	means the parent company of Athene Lebensversicherung
Athene Lebensversicherung	means the subsidiary entity of Athene Deutscheland (also known as *Athene Lebensversicherung AG*)
Audit Committee or AC	means the audit committee established by the Supervisory Board
AuM	means assets under management
Aviva	means Aviva plc
Bancassurance	means bank branches, call centres, financial centres and internet banking platforms

Basel Committee	means the Basel Committee on Banking Supervision of the Bank for International Settlements
Basel II	means the Basel Accord of 2004, the revised capital adequacy framework developed for the banking sector by the Basel Committee
BDPA	means the Belgian Data Protection Act
BEPS	means base erosion and profit shifting
BeFrank	means the brand of insurance products marketed and sold by Delta Lloyd BeFrank
BIS Solvency Ratio	means the minimum total capital ratio
CAGR	means compounded annual growth rate
Capital Plan	means the Offering, management actions and capital measures designed to ensure the Group is strongly positioned for Solvency II
CBS	means Statistics Netherlands *(Centraal Bureau voor de Statistiek*)
CET	means Central European Time or, when applicable, Central European Summer Time
CET1	means common equity tier 1
College of Supervisors	means DNB and NBB
Co-managers	means ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A.
Company	means Delta Lloyd N.V.
COR	means the combined ratio
COSO	means the Committee of Sponsoring Organisations of the Treadway Commission
Court of Justice	means the Court of Justice of the European Union
CRD IV framework	means Directive 2013/36/EC, CRD IV) and a capital requirements regulation (EU No. 575/2013, CRR)
CRO	means the Chief Risk Officer
CRR	means the capital requirements regulation (EU No. 575/2013)
CVS	means the Center for Insurance Statistics (*Centrum voor Verzekeringsstatistiek*)
CZ	means Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep, Zorgverzekeraar u.a., and Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep Aanvullende Verzekering Zorgverzekeraar u.a.
DCGC	means the Dutch Corporate Governance Code
Delegated Acts	means the European Commission Delegated Regulation (EU) NO. 2015/35 of 10 October 2014 supplementing the Solvency II Directive

Delta Lloyd ABN AMRO Verzekeringen . . . . means Delta Lloyd ABN AMRO Verzekeringen Holding B.V.

Delta Lloyd APF . . . . means the Delta Lloyd Algemeen Pensioenfonds

Delta Lloyd Asset Management . . . . . . means Delta Lloyd Asset Management N.V.

Delta Lloyd Banking . . . . means the banking business of the Group including its subsidiaries, Delta Lloyd Bank Netherlands and Delta Lloyd Bank Belgium

Delta Lloyd Bank Belgium . . . . means Delta Lloyd Bank België N.V. (incorporated in Belgium)

Delta Lloyd Bank Netherlands . . . . means Delta Lloyd Bank N.V. (incorporated in the Netherlands)

Delta Lloyd Belgium . . . . means the Group's insurance business in Belgium

Delta Lloyd Deutschland . . . . means Delta Lloyd Deutschland A.G.

Delta Lloyd Zorg . . . . means Delta Lloyd Zorg B.V. (formerly known as Delta Lloyd Zorgverzekeringen B.V.)

Delta Lloyd Health Distributors . . . . . means the Company, Delta Lloyd Verzekeringen, OHRA and Delta Lloyd ABN AMRO Verzekeringen

Delta Lloyd Insurance . . . . means the insurance business of the Group including Delta Lloyd ABN AMRO Verzekeringen and its subsidiaries and Delta Lloyd Houdstermaatschappij verzekeringen N.V.

Delta Lloyd Life . . . . means Delta Lloyd Life N.V. (incorporated in Belgium)

Delta Lloyd Schadeverzekering . . . . . . means Delta Lloyd Schadeverzekering N.V.

Delta Lloyd Verzekeringen . . . . means Delta Lloyd Verzekeringen N.V.

Delta Lloyd Zorgverzekering . . . . means Delta Lloyd Zorgverzekering N.V.

District Court . . . . means the District Court of Rotterdam

DJSI . . . . means the Dow Jones Sustainability Index

DLL . . . . means Delta Lloyd Levensverzekering N.V.

DLRI . . . . means the symbol under which the Right are to be traded on Euronext in Amsterdam and Euronext in Brussels

DNB . . . . means the Dutch Central Bank (*De Nederlandsche Bank*)

DPF . . . . means discretionary participating feature

Dutch Association of Insurers . . . . means *Verbond van Verzekeraars*

Dutch Financial Supervision Act . . . . . means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder

Dutch Securities Giro Transfers Act . . . . means the Dutch Securities Giro Transfers Act (*Wet giraal effecten verkeer*)

EC . . . . means the European Commission

ECAIs . . . . means External Credit Assessment Institutions

ECB . . . . means the European Central Bank

ECM . . . . means the Group's internal model for economic capital calculation

Economic Capital . . . . means the total capital employed according to a valuation of assets and technical obligations based on economic principles.

EEA . . . . means the European Economic Area

EFAMA . . . . means the European Fund and Asset Management Association

EIOPA . . . . means European Insurance and Occupational Pensions Authority

Eligible Person . . . . means any person making the representations and warranties in the exercise, trade or purchase of Rights as set out in "*Selling and Transfer Restrictions"*

EMTN . . . . means the euro medium-term note programme

Enterprise Chamber . . . . means the Enterprise Chamber of the Amsterdam Court of Appeal (*Ondernemingskamer van het Gerechtshof te Amsterdam*)

EPISO 4 . . . . means the European Property Investors Special Opportunities 4

Erasmus . . . . means Levensverzekering Maatschappij Erasmus N.V.

ERM . . . . means enterprise risk management

ESAs . . . . means the European Supervisory Authorities

ESFS . . . . means the European System of Financial Supervision

EY . . . . means Ernst & Young Accountants LLP

EU . . . . means the European Union

EUR or euro . . . . means the currency of the European Monetary Union

Euroclear Nederland . . . . means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. trading as Euroclear Nederland

Euronext Amsterdam . . . . means Euronext Amsterdam N.V.

Euronext in Amsterdam . . . . means the regulated market operated by Euronext Amsterdam N.V.

Euronext Brussels . . . . means Euronext Brussels SA/NV

Euronext in Brussels . . . . means the regulated market operated by Euronext Brussels SA/NV

Executive Board . . . . means the executive board (*raad van bestuur*) of the Company

Exercise Period . . . . means the period from 9:00 CET on 24 March 2016 through 14:00 CET on 7 April 2016, barring unforeseen circumstances.

Excess Amount . . . . means the aggregate proceeds for the Rump Shares offered and sold in the Rump Offering, minus the selling expenses and any applicable taxes, exceed the aggregate Issue Price for such Rump Shares

Existing Shares . . . . means the shares for which the fair market value of the Rights on the date they are distributed equals or exceeds 15% of the fair market value on such date of the ordinary shares with respect to which the Rights are distributed

Financial Assessment Framework	means the prudential supervision and solvency restrictions for insurance companies (Financieel *Toetsingskader)*
Fonds NutsOhra	means Stichting Fonds NutsOhra
Foundation Continuïteit Delta Lloyd	means Stichting Continuïteit Delta Lloyd
FRSA	means the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*)
FSMA	means the Belgium Financial Services and Markets Authority
FTEs	means full-time equivalents
FTT	means Financial Transaction Tax
FTT-Zone	means the participating Member States
FVTPL	means fair value through profit or loss
GARM	means Group Actuarial & Risk Management
GDP	means gross domestic product
General Meeting	means the Company's general meeting of shareholders, being the corporate body, or where the context requires so, the physical meeting
Global Coordinator	means Goldman Sachs International
GRAS	means group risk appetite statement
Group	means the Company and its subsidiaries
Group Own Risk Portfolio	means the Group's risk investment funds as managed by the Group's asset management business segment
Group Portfolio	means the Group's own risk investment funds
GSB	means Separate Investment Portfolio (*Gesepareerde Beleggingsdepot*)
Health Companies	means Delta Lloyd Zorgverzekering, OHRA Ziektekostenverzekeringen N.V. and OHRA Zorgverzekeringen N.V.
HFT	means held for trading
HR Board	means the Human Resources Board
IAS	means international accounting standards
IAS 39	means the IFRS 9 Financial Instruments (issued on 24 July 2014; effective 1 January 2018) which replaces the existing standard
IASB	means the International Accounting Standards Board
IBNR	means the costs for claims related to insured events that have incurred but have not been reported
ICAAP	means the Internal Capital Adequacy Assessment Process
ICT	means information and communications technology
IDD	means the Insurance Distribution Directive

IFRS	means international financial reporting standards as adopted by the European Union
IGD	means the Insurance Group Directive
IMD	means EU Directive 2002/92/EC on Insurance Mediation
IMD2	means the European Commission's proposals for a revision of the IMD
Independent Source	means an independent industry publication, government publication, report by market research firm or another independent publication
Indexation	means the Group defines new business for its life insurance business segment as the sum of new written policies and the portion of annual renewals that represents an increase in premium over the previous year's premium payments
Ineligible Jurisdictions	means the jurisdictions in which the Rights being granted or Offer Shares being offered in the Offering may not be offered, sold, resold, exercised, transferred or delivered, directly or indirectly, pursuant to applicable law
Ineligible Person	means all who are not an Eligible Person
Intercompany Subordinated Loan	means the loan from Delta Lloyd N.V. to Delta Lloyd Levensverzekering N.V.
Intermediaries	means independent intermediaries, which include independent financial advisers, authorised agents (*volmacht agenten*, with respect to general insurance), actuarial consulting firms (with respect to group life insurance) and brokers (*beurs*)
Investor's Currency	means the currency or currency unit in which the financial activities of an investor are denominated principally
InvSp	means the investment spread (direct yield minus the cost of liabilities)
IORP	means the Institutions for Occupational Retirement Provision
IRS	means the US Internal Revenue Service
IRS Agreement	means the agreement that a non-US financial institution enters into with the IRS
ISIN	means the International Security Identification Number
Issue Price	means the issue price of the Offer Shares
IT	means information technology
ITS	means Implementing Technical Standards
Joint Bookrunners	means Goldman Sachs International, Merrill Lynch International and Barclays Bank PLC
Joint Co-Lead Managers	means ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank)
LAT	means liability adequacy test
LCR	means liquidity coverage ratio

Lioncross	means Lioncross Ltd.
Listing Agent	means ABN AMRO Bank N.V.
Longevity Derivatives	means the two longevity derivative transactions the Group entered into in August 2014 and June 2015 with RGA to hedge a portion of its exposure to longevity risk included in its life insurance portfolios
LLP	means the Last Liquid Point
LTIR	means long-term investment returns
LTV	means loan to value
MASC	means method and assumption setting cycle
MCR	means the minimum capital requirements
Member State	means a member state of the European Economic Area
MiFID	means the Markets in Financial Instruments Directive
NAPI	means annual premium equivalent and is calculated as new annual premiums plus 10% of single premiums during the relevant period
NBB	means the National Bank of Belgium
NBM	means new business margin
NCAs	means the National Competent Authorities
Net Capital Generation	means the change from one period to another in the Group's capital, as calculated under Solvency II using the SF, based on a number of assumptions. The target Net Capital Generation run-rate is calculated before the costs and benefits of asset-liability management actions, the benefit of the use of proceeds from the Offering, market volatility and non-operational variances. The target is also net of tax and minority interest. The principal drivers of changes in Net Capital Generation are expected to be the value of the Group's new business life insurance, its technical results (excluding life insurance), its expected returns in excess of the Solvency II curve and movements in required capital and risk margin. Net Capital Generation is a non-IFRS measure.
Net Operational Result	means operational result after tax and minority interest
nFTK	means the new Financial Assessment Framework (*nieuw financieel toetsingkader*)
NHG	means the National Mortgage Guarantee (*Nationale Hypotheek Garantie*)
NLFI	means the NL Financial Investments
NN	means Nationale-Nederlander Company (*Nationale-Nederlanden Levensverzekering Mij. N.V.*)
Nomination Committee	means the nomination committee established by the Supervisory Board
NSF	means Nationaal Spaarfonds

Nza	means the Dutch Healthcare Authority
OECD	means Organisation for Economic Co-operation and Development
Offering	means the offering of Offer Shares as described in this Prospectus
Offer Securities	means the Rights together with the Offer Shares
Offer Shares	means up to 227,567,943 Ordinary Shares
OFS	means other financial sectors
Operational Result	means operational result before tax and minority interest
Ordinary Shares	means the ordinary shares in the capital of the Company with a nominal value of EUR 0.20 each
Original 2013 Financial Statements	means the unrestated 2013 financial statements for the financial year ended 31 December 2013
Original 2014 Financial Statements	means the unrestated 2014 financial statements for the financial year ended 31 December 2014
ORSA	means own risk and solvency assessment
OTT	means other than trading
Participating Foreign Financial Institution	means the non-US financial institution entered into an IRS Agreement
Participating Member States	means Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain
PFIC	means passive foreign investment company for US federal income tax purposes
Pillar 1	means the quantitive requirements under Solvency II
Pillar 2	means the requirements for governance, risk management and effective supervision under Solvency II
Pillar 3	means the disclosure and transparency requirements under Solvency II
Phantom Option Plan	means the Delta Lloyd Phantom Option Plan
PMLA	means the Dutch Prevention of Money Laundering and Financing of Terrorism Act (*Wet ter voorkoming van witwassen en financieren terrorisme*)
PPI	means premium pension institution (*Premie Pensioen Instelling*)
Preference Shares A	means the preference shares A in the capital of the Company with a nominal value of EUR 0.20 each
Pricing Agreement	means the pricing agreement between the Company, Aviva, the Selling Shareholder and the Joint Bookrunners on behalf of the Underwriters
Pricing Committee	means the pricing committee formed in connection with the Offering consisting of the chairman of the Executive Board and the chairman of the Supervisory Board
Prospectus	means this prospectus dated 23 March 2016

Prospectus Directive	means Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU
Protective Preference Shares B	means the protective preference shares B in the capital of the Company with a nominal value of EUR 0.20 each
PSB	means Delta Lloyd Groep Particuliere Schadeverzekeringen N.V.
PVNBP	means present value of new-business premiums
PwC	means PricewaterhouseCoopers
QE programme	means quantitative easing programme
QIB	means Qualified Institutional Buyer as defined in Rule 144A
RCSA	means the risk and control self-assessment
Record Date	means 17:40 CET on 23 March 2016
Regulation S	means Regulation S under the Securities Act
Relevant Member State	means each Member State that has implemented the Prospectus Directive
Remuneration Committee	means the remuneration committee established by the Supervisory Board
Restated 2013 Financial Information	means the restated comparative figures in the 2014 Financial Statements statement of financial position and income statement as at and for the year ended 31 December 2013
Restated 2014 Financial Information	means the restated comparative figures in the 2015 Financial Statements statement of financial position and income statement as at and for the year ended 31 December 2014
Restricted Securities	means the Offer Shares offered and sold to investors located in the United States as defined in Rule 144 under the Securities Act
Revised Mandate	means the restructuring agreements between the Group's insurance subsidiaries and the asset management business
RGA	means Reinsurance Group of America
Rights	means one transferable subscription right for each existing Ordinary Share held on the Record Date
Rights Offering	means the rights offering in which Shareholders will be granted Rights
Rights Trading Period	means the period from 9:00 CET on 24 March 2016 (inclusive) to 17:40 CET on 6 April 2016 (inclusive).
Risk Committee	means the committee with appointees from the Supervisory Board
RMBS	means a residential mortgage-backed security
Rolsa	means Rolsa N.V. (formerly known as Orca Finance Netherlands N.V.)

RSR	means the Regular Supervisory Report
Rule 144A	means Rule 144A under the Securities Act
Rump Offering	means the offering of Rump Shares
Rump Offering Price	means the price per Rump Share
Rump Shares	means Offer Shares for which Rights have not been validly exercised during the applicable Exercise Period
S&P	means Standard & Poor's Credit Market Services Europe Limited
SCR	means solvency capital requirement
Securities Act	means the US Securities Act of 1933, as amended
Settlement Date	means 11 April 2016
SFCR	means the Solvency and Financial Conditions Report
Shares	means shares in the Company, including the Ordinary Shares, Preference Shares A and Protective Preference Shares
Shareholder	means a holder of at least one Ordinary Share
Share Purchase Agreement	means the agreement regarding the sale and transfer of the shares in Athene Deutschland from the Company to Blitz 14-164 GmbH
SICAV	means investment funds with variable capital
SME	means small and medium-sized enterprise
Solvency I	means Directive 98/78/EC of the European Union (as amended) on the supplementary supervision of insurance undertakings in an insurance group
Solvency II Directive	means the Solvency II Directive (2009/13BEC) (amended by the Omnibus II Directive (2014/51/EU)
SPA	means a share purchase agreement
SREP	means the supervisory review and evaluation process
STP	means Straight Through Processing
Supervisory Board	means the supervisory board (*raad van commissarissen*) of the Company
Swiss Life Belgium	means Swiss Life Belgium N.V.
Third-party Portfolios	means third-party investment funds
TREP	means the theoretical ex-rights price
UCITS	means the EU Untertakings for Collective Investment in Transferable Securities
UFR	means ultimate forward rate
Unexercised Rights Payment	means a part of the Excess Amount in cash pro rata to the number of unexercised Rights reflected in each such holder's securities account

Underwriters	means Goldman Sachs International, Merrill Lynch International, Barclays Bank PLC, ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. (Rabobank)
Underwriting Agreement	means the underwriting agreement between the Company and the Underwriters dated 23 March 2016
United States or US	means the United States of America
USD	means United States dollar
Van Lanschot	means Van Lanschot N.V.
VNB	means Value New Business
Wabeke recommendation	means the recommendations from Mr. J. W. Wabeke, the Dutch Financial Services Ombudsman
WEW	means the Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*)
WGA ER	means the partial disability scheme, a private insurance scheme for partially and/or disabled individuals

GLOSSARY OF INSURANCE TERMS

annual premium	An insurance policy where the policyholder makes periodic payments. The annual premium includes the annualised amount of regular premiums that occur at different frequencies than annual.
annuity	A contract between an annuitant and an insurance company, under which the annuitant makes a lump-sum payment or a series of payments. In return, the insurer agrees to make periodic payments to the annuitant beginning immediately or at some future date. Immediate annuities provide the annuitant with income from the date the policy is taken out and deferred annuities provide the annuitant with income at a future specified date.
Bancassurance	Bank branches, call centres, financial centres and internet banking platforms.
cede; ceding insurer; cession	When an insurer reinsures its risk with another insurer (a "cession"), it "cedes" business and is referred to as the "ceding insurer".
claim	A demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy.
COR	The sum of incurred losses and expenses divided by net earned premiums. Run-off activities, terminated contracts and market interest movements are excluded from this ratio. A COR below 100 generally indicates profitable underwriting. A COR over 100 generally indicates unprofitable underwriting. An insurance company with a COR over 100 may be profitable to the extent net investment results exceed underwriting losses.
defined benefit	A pension plan where specified benefits are accrued that equal a certain percentage of the insured's "pensionable income" for each year that the insured participates in the plan.
defined contribution	A pension plan where specified contributions are paid into an account for the insured and then invested, with returns credited to the employee's account. Upon termination of the plan, the balance of the employee's account is used to purchase an annuity.
expense ratio	The ratio of general insurance or reinsurance operating expenses (acquisition costs, plus policy administration expenses, less reinsurance commission and profit participation) to net earned premiums. These operating expenses are also referred to as technical expenses.
general account	The assets of an insurance company that support its insurance and other obligations (excluding unit-linked (separate account) obligations).
GWP	Total premiums (whether or not earned) for insurance contracts written or assumed (including deposits for contracts with an insignificant amount of mortality or morbidity risk) during a specific period, without deduction for premiums ceded.
IBNR	Reserves for estimated losses and LAE which have been incurred but not yet reported to the insurer or reinsurer, including the future development of claims which have been reported to the insurer or reinsurer but where the established reserves may ultimately prove to be inadequate.

individual insurance . . . . Life insurance for an individual and their family, such as annuities.

lapse . . . . Termination of a policy because of the policy's surrender, a failure to pay a premium or a lack of sufficient cash value to maintain the policy's in-force status.

loan-to-market-value . . . . Risk ratio, calculated by the total mortgage loan over the value of the mortgage. As of 1 January 2013, as a result of Solvency II and IFRS regulations, the value of the mortgage is calculated according to the market value of the mortgage.

loss . . . . An injury, harm, damage or financial detriment that a person sustains. Losses may be covered, limited or excluded from coverage, depending on the terms of the policy.

loss adjustment expenses (LAE) . . . . . . The expenses of investigating and settling claims, including certain legal and other fees, and the expenses of administering the claims adjustment process.

loss ratio . . . . Loss ratio is calculated by dividing the realised losses on mortgages by the nominal value of the mortgage portfolio.

net earned premiums . . . . The portion of net premiums recognised for accounting purposes as income during a specified period.

net written premiums . . . . Gross premiums less premiums ceded for reinsurance.

participating contracts . . . . Insurance in which the policyholder is entitled to participate in the earnings or surplus of a portfolio of the whole insurance enterprise. The participation occurs through the distribution of dividends to policyholders.

reinsurance . . . . The practice whereby one insurer, called the reinsurer, in consideration for premiums received, agrees to indemnify the ceding insurer for all or a portion of the risk under a policy or policies of insurance issued by the ceding insurer. The legal rights of the insured generally are not affected by the reinsurance transaction, and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits.

reserves . . . . Liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and benefits payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in accordance with the insurance or reinsurance it has written.

retention . . . . The amount or portion of risk which a ceding insurer retains for its own account. Losses and loss expenses paid by the ceding insurer in excess of the retention level are then reimbursed to the insurer by the reinsurer. In proportional insurance, the retention may be a percentage of the original policy's limit. In non-proportional insurance, the retention is an amount of loss, a loss ratio or a percentage.

separate account . . . . An investment account established and maintained by an insurer to which funds have been allocated for certain insurance policies or contracts of the insurer. The income, gains and losses realised from assets allocated to the account are, in accordance with the insurance policies or contracts, credited to or charged against the account without regard to other income, gains or losses of the company or the company's other separate accounts. Separate accounts cannot generally be charged with the liabilities of the general account. The policyholders bear all of the investment risk for these products.

single premium . . . . An insurance policy where the policyholder pays a single, one-off premium.

surrender . . . . Many life insurance products permit the insured to withdraw a portion or all of the cash surrender value of the contract. Future benefits are reduced accordingly.

technical expenses . . . . Those general insurance or reinsurance operating expenses which are used to calculate the expense ratio.

term life insurance . . . . Life insurance protection for a limited period which expires without maturity value if the insured survives the period specified in the policy.

traditional life insurance . . . . Life insurance where the insured's family receives a fixed, pre-determined amount at the end of the policy term, sometimes supplemented by a profit sharing arrangement, and the policyholder runs no risk ("branch 21" products in Belgium).

underwriting . . . . The process whereby an insurer or reinsurer reviews applications submitted for insurance or reinsurance coverage and determines whether it will provide all or part of the coverage being requested for an agreed premium.

underwriting results . . . . The pre-tax profit or loss experienced by a general insurance company or reinsurance company after deducting incurred losses and loss expenses and operating expenses from premiums earned. This profit and loss calculation includes reinsurance assumed and ceded but excludes investment income.

unit-linked insurance . . . . Insurance that is a combination of life insurance and an investment, where premiums paid are invested in investment funds, meaning the value of the policy directly depends on the value of the underlying investments, and as such, the risk rests with the policyholder ("branch 23" products in Belgium).

Correspondence address: PO Box 75201, 1070 AE Amsterdam, The Netherlands

23 March 2016

Delta Lloyd N.V.
Members of the Executive Board and Supervisory Board
Amstelplein 6
1096 BC Amsterdam
The Netherlands

Dear Board members,

Consulting Actuaries' Report

Introduction

Delta Lloyd N.V. ("Delta Lloyd" or "you") has prepared calculations of its required and available capital in respect of Delta Lloyd and its subsidiaries on a Solvency II basis for its entire business excluding Delta Lloyd Bank N.V. and Van Lanschot N.V.. The calculations have been carried out as at 30 September 2015 and 31 December 2015. In this report Delta Lloyd or you refers to all of Delta Lloyd and its subsidiaries.

In preparing the calculations as at 30 September 2015, Delta Lloyd included the impact of certain actions that were completed in the fourth quarter of 2015. Further, the calculations were based on Delta Lloyd's interpretation of the Solvency II Standard Formula ("SF") requirements at the time. Since 31 December 2015 Delta Lloyd has received further guidance from De Nederlandsche Bank N.V. ("DNB") related to the treatment of certain items and has calculated the impact of applying the new guidance (the "Amendments") on the Solvency II SF capital ratio ("Solvency II ratio (SF)"). Further details are given below.

In preparing the calculations as at 31 December 2015, Delta Lloyd has included the impact of certain actions related to the Loss Absorbing Capacity of Deferred Taxes ("LAC DT") taken after 31 December 2015, or that are planned to be taken in the near future (the "LAC DT Actions"). A reference to where further details of the LAC DT Actions can be found in the prospectus dated 23 March 2016 (the "Prospectus") is given below.

Delta Lloyd has also carried out calculations of the value of new insurance business written during the 2015 financial year and the corresponding new business margin.

Towers Watson Netherlands B.V. ("Willis Towers Watson", "we" or "us") has been engaged by Delta Lloyd to review certain matters relating to these calculations in connection with the offering by Delta Lloyd of new ordinary shares as described in the Prospectus.

This report, which has been produced for inclusion in the Prospectus, sets out the scope of the work we have undertaken and summarises the conclusions of our work. The reader's attention is drawn to the section later on in this report which sets out various reliances and limitations relating to the use of this report.

This report is addressed to Delta Lloyd in accordance with the terms of Willis Towers Watson's engagement letter dated 2 November 2015. To the fullest extent permitted by applicable law or regulation, Willis Towers Watson does not accept or assume any responsibility, duty of care or liability to anyone other than Delta Lloyd for or in connection with its review work, the opinions it has formed, or for any statement set forth in this report.

This report should be read in conjunction with the rest of the Prospectus, which provides a description of the business of, and risk factors relating to, Delta Lloyd. The results of Delta Lloyd's Solvency II calculations are

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documented in the part of the Prospectus entitled "*Operating and Financial Review – Liquidity and Capital Resources – Regulatory Capital Requirements*" starting on page 276. More specifically:

- The Solvency II ratio (SF) as at 30 September 2015 can be found on page 279:
  - It includes the impact of certain actions completed in the fourth quarter of 2015, as described in footnote 30 on page 218 in the part of the Prospectus entitled "*Operating and Financial Review – Summary of the Business – Capital Plan and Solvency II*";
  - The Amendments to the Solvency II ratio (SF) can be found on page 218 of the Prospectus;
- The Solvency II ratio (SF), Eligible Own Funds ("EOF") and SF Solvency Capital Requirement ("SCR") as at 31 December 2015 of Delta Lloyd Group and its insurance subsidiaries can be found in the table "Solvency II ratio (SF) of various Group entities as of 31 December 2015" on page 280;
- The LAC DT Actions can be found in the second footnote to the table "Solvency II ratio (SF) of various Group entities as of 31 December 2015" on page 280.

The methodology and assumptions that have been used by Delta Lloyd to prepare the value of new business calculations are documented, together with the results, in the part of the Prospectus entitled *"Business"*, more specifically:

- The methodology and assumptions can be found in the section "*Business – Capital Objectives – Business value drivers – New Business Margin*" starting on page 166;
- The value of the aggregated full-year 2015 new business ("VNB") and the corresponding total New Business Margin ("NBM") can be found in the end of the section "*Business – Strengths – Leading market positions in select target markets – Market position in the Netherlands"* starting on page 157.

Delta Lloyd is responsible for the methodology and assumptions that have been used and for preparing the results.

Scope of work

You have requested us to perform the following:

- A review of the methodology and assumptions used by Delta Lloyd compared to the Solvency II SF requirements;
- A review of:

  a The Solvency II ratio (SF) as at 30 September 2015, including the impact of certain actions completed in the fourth quarter of the year 2015, together with the Amendments as subsequently calculated;

  b The Solvency II ratio (SF) as at 31 December 2015, including the impact of the LAC DT Actions;

  c The sensitivity of the Solvency II ratio (SF) as at 31 December 2015 to various changes in economic and other circumstances;

  Together, a, b and c above are referred to below as the "The Solvency II Results";
- A review of the plausibility of the impact of certain actions planned for 2016;
- A review of the value of new business results ("The VNB Results").

Further details of our scope of work are provided below.

Solvency II Methodology and Assumptions

We have reviewed the applied methodology and assumptions for consistency with the Solvency II SF requirements. The relevant valuation and risk based capital Pillar 1 requirements include the following chapters of the Solvency II regulations:

- General provisions;
- Valuation of assets and liabilities;
- Rules relating to technical provisions;
- Own Funds;
- Solvency capital requirement standard formula;
- Solvency calculation at group level.

The remainder of the Pillar 1 Solvency II rules and regulations and the Pillar 2 and Pillar 3 Solvency II rules and regulations are out of scope for our review. We have relied on Delta Lloyd for accurately meeting any requirements in these parts if and where applicable.

In some areas, the rules and regulations are subject to the interpretation of the regulator. In our review, we have considered the most recent guidelines and technical standards including relevant Q&As provided by DNB as at the date of this report. We also considered correspondence with DNB and with Nationale Bank van België N.V. that Delta Lloyd provided us with.

DNB provided additional guidance to Delta Lloyd after 31 December 2015 regarding three areas, namely:

- The treatment of the Longevity Derivatives as described in the part of the Prospectus entitled "*Operating and Financial Review – Key Factors Affecting Results of Operations – Demographic Trends and Longevity*" starting on page 222;
- The extent to which the LAC DT can be taken into account;
- The exclusion of Delta Lloyd Bank N.V. and Van Lanschot N.V. from the Solvency II ratio (SF).

The impact of the above three items on the Solvency II ratio (SF) as at 30 September 2015 (the Amendments) is described in the Prospectus in the section entitled *"Business – Capital Plan – Capital Plan and Solvency II"* on page 165. The numbers shown there also take account of the LAC DT Actions.

In deriving the Solvency II ratio (SF) as at 30 September 2015, Delta Lloyd included the impact of certain actions which were completed in the fourth quarter of the year 2015. The main such actions were: the sale of Delta Lloyd Germany and certain private-equity stakes, the merger of the property entities within Delta Lloyd Levensverzekering N.V., the restructuring of subordinated debt (FNO) and applying the changed EIOPA methodology in October 2015 and onwards to the September 2015 curve.

The Solvency II Results

Solvency II ratio (SF)

The Solvency II ratio (SF) is defined as EOF divided by SCR. The Solvency II Results include:

- The Solvency II ratio (SF) as at 30 September 2015 of Delta Lloyd Group;
- The Solvency II ratio (SF), EOF and SCR as at 31 December 2015 of:
    - Delta Lloyd Group;
    - ABN AMRO Levensverzekering N.V.;

- ABN AMRO Schadeverzekering N.V.;
- Delta Lloyd Levensverzekering N.V.;
- Delta Lloyd Life N.V.;
- Delta Lloyd Schadeverzekering N.V.;

The calculation of the Solvency II ratio (SF) covers the following elements[1]:

- The derivation and composition of the Solvency II Balance Sheet, including a reconciliation between IFRS net asset value and EOF;
- Technical provisions in the Solvency II Balance Sheet, comprising the best estimate liabilities and the risk margin;
- The derivation and composition of EOF (i.e. Tier 1 unrestricted, Tier 1 restricted, Tier 2 and Tier 3);
- The components of the SCR including the application of the following risk modules:
  - Non-Life underwriting;
  - Life underwriting;
  - Health underwriting;
  - Market, including: Interest rate, Equity, Property, Spread, Market risk concentrations and Currency;
  - Counterparty default;
  - Operational risk;
  - Diversification;
  - Adjustments for the loss absorbing capacity of technical provisions ("LAC TP") and LAC DT;
- The aggregation of results used to determine the Solvency II ratio (SF).

The Solvency II Results and a detailed description thereof are set out in the part of the Prospectus entitled "*Operating and Financial Review—Liquidity and Capital Resources—Regulatory Capital Requirements*" starting on page 276.

Solvency II Sensitivities

The sensitivities relate to the Solvency II ratio (SF), EOF and SCR as at 31 December 2015 at Delta Lloyd Group level whilst assuming no impact in Other Financial Sectors. The sensitivities include the pro forma Solvency II ratio (SF) assuming the receipt of the gross proceeds of the rights offering of € 650 million and the sensitivity of this pro forma ratio. The sensitivities comprise:

- +/- 50 basis points ("bps") credit spread combined with +/- 28 bps volatility adjustment movement for the entire fixed-income portfolio excluding mortgages;
- +/- 50 bps funding spread for mortgages;
- +/- 25 bps interest rate movements (i.e. parallel shift without a change to the UFR);
- + 50 bps steepening in interest rates between years 20 and 45, without a change to the UFR;

[1] We have relied on Delta Lloyd for the part of EOF and SCR related to Other Financial Sectors.

- +/- 10% equity value movements;
- +/- 10% property value movements;
- Ultimate forward rate ("UFR") -/- 100 bps (i.e. 3.2% rather than 4.2%).

The sensitivities and a detailed description of the sensitivities are set out in the part of the Prospectus entitled "*Operating and Financial Review – Liquidity and Capital Resources – Regulatory Capital Requirements*" on pages 284 – 286, in and under the table "Sensitivities of the Group's SF Solvency II ratio and Group's IFRS shareholders' Funds to various changes in economic and other circumstances".

The plausibility of the impact of actions planned for 2016

Delta Lloyd plans to implement certain actions planned for 2016 which are expected to increase Delta Lloyd Group's Solvency II ratio (SF), including, but not limited to:

- The sale of Delta Lloyd's stake in Van Lanschot N.V.;
- ALM and other actions (e.g. reducing currency and equity risk).

These actions are described in detail in the part of the Prospectus entitled *"Business – Capital Plan – Capital Plan and Solvency II – Actions Planned for 2016"*, first and second bullet starting on page 164.

The VNB Results

Delta Lloyd has calculated the value of new insurance business written during the calendar year 2015, i.e. The VNB Results. These relate to the Belgian and Dutch life businesses. The VNB Results include:

- VNB – Value New Business
  The value of the aggregated full-year 2015 new business, measured as at year-end 2015;
- NBM – New Business Margin
  The margin defined as VNB divided by the present value of new business premium.

The VNB Results have been determined by applying Delta Lloyd's methodology and assumptions as set out in the part of the Prospectus entitled "*Business – Capital Objectives – Business value drivers – New Business Margin*" on page 166.

We note that The VNB Results include all of ABN AMRO Levensverzekering N.V.'s new business (and not 51 per cent thereof, in line with Delta Lloyd's share of ownership).

Out of scope

Aspects that are out of scope of our review include, but are not limited to:

- Own Fund and Required Capital calculations of Other Financial Sectors according to sectoral rules;
- An opinion on fungibility and transferability of own funds;
- Data quality;
- IFRS Balance sheet, including fair-value adjustments for invested assets and liabilities, other than technical provisions;
- Pillar 2 and Pillar 3 Solvency II rules and regulations;
- Detailed checking of the models, input to the models and processes involved in calculating The Solvency II Results and The VNB Results.

Opinion

Based on the scope of work set out above, and subject to the reliances and limitations set out later on in this report, our conclusions on each of the elements of our review are as follows.

Solvency II Methodology and assumptions

Our review of the applied methodology and assumptions included an item per item check of compliance with the relevant Solvency II SF requirements.

Solvency II ratio (SF) as at 30 September 2015

In addition to applying the Solvency II SF requirements as at 30 September 2015, Delta Lloyd has included the impact of certain actions completed in the fourth quarter of 2015, as described above.

Subject to the inclusion of these actions, we conclude that the methodology and assumptions used, and as subsequently amended to take account of further DNB guidance, are in line with our understanding of the Solvency II requirements.

Solvency II ratio (SF) as at 31 December 2015

In addition to applying the Solvency II SF requirements as at 31 December 2015, Delta Lloyd has included the impact of the LAC DT Actions.

Subject to these inclusions, we conclude that the methodology and assumptions used are in line with our understanding of the Solvency II requirements.

The Solvency II Results

Our review of The Solvency II Results, included:

- A number of reasonableness checks on the aggregate output from Delta Lloyd's models;
- Checks on the validation of some figures produced by the models to accounting data;
- Reasonableness checks on the consolidation of the results from the models to arrive at the final results.

We have not, however, performed detailed checks on the models and processes involved nor did we check the input to the models.

The Solvency II ratio (SF) as at 30 September 2015 is shown on page 279 of the Prospectus and the Amendments are shown in the Prospectus on page 165.

The Solvency II ratio (SF) as at 31 December 2015 is shown on page 280 of the Prospectus.

The sensitivities are shown in and under the table "Sensitivities of the Group's SF Solvency II ratio and Group's IFRS shareholders' Funds to various changes in economic and other circumstances" on pages 284 – 286.

On the basis of our review, considering our scope and limitations, we are satisfied that The Solvency II Results are not materially misstated.

Plausibility of the impact of actions planned for 2016

We reviewed the plausibility of certain actions planned for 2016, as set out in the part of the Prospectus entitled *"Business – Capital Plan – Capital Plan and Solvency II – Actions Planned for 2016"*, first and second bullet starting on page 164, and conclude:

- Sale of Delta Lloyd's stake in Van Lanschot N.V.
  We consider that the approximately 8 percentage point increase in the Solvency II ratio (SF) resulting from the sale is reasonable based on the assumed price per share. For the assumed price per share, however, we have relied on Delta Lloyd's assessment of the market value of Van Lanschot N.V.;

- ALM and other actions
  We consider the 10 to 15 percentage point increase in Solvency II ratio (SF) resulting from the ALM and other actions to be plausible and achievable.

The VNB Results

Our review of The VNB Results which are set out starting on page 157 of the Prospectus, included:

- A number of reasonableness checks on the aggregate output from Delta Lloyd's models;
- Checks on the validation of some figures produced by the models to accounting data;
- Reasonableness checks on the consolidation of the results from the models to arrive at the final results.

We have not, however, performed detailed checks on the models and processes involved nor did we check the input to the models.

On the basis of our review we are satisfied that The VNB Results are calculated in accordance with Delta Lloyd's methodology and assumptions, and we have not identified any material misstatements in The VNB Results.

Reliances and Limitations

In carrying out this review and preparing this report we have relied on audited and unaudited information supplied to us by, or on behalf of, the management of Delta Lloyd, including information given orally, and on information from a range of other sources. We relied on the accuracy and completeness of this information without independent verification. In particular, reliance was placed on, but not limited to, the accuracy of the following:

- (Annual) accounts (IFRS) and statutory statements of Delta Lloyd as at 30 September 2015 and 31 December 2015, including the fair value of the assets and liabilities, other than technical provisions, as in the notes to the balance sheet;
- Solvency II reports prepared by Delta Lloyd;
- Statistical data and the results of experience studies relating to the current and historical operating experience of Delta Lloyd;
- Information contained in future expense plans for the insurance businesses;
- Files and data supporting the derivation of the economic assumptions;
- Policy data in respect of the in-force insurance business of Delta Lloyd as at 30 September 2015 and 31 December 2015;
- New-business premium volumes included in the VNB and NBM;
- Information on the tax position of Delta Lloyd;
- Results (cash flows from financial projection models) of Delta Lloyd used for calculating The Solvency II Results and The VNB Results;
- Premium rates, commission rates, product charges, profit sharing arrangements, and reinsurance arrangements and terms;
- Product terms and conditions as described in product documentation and other written and oral descriptions of product features;
- Delta Lloyd's methodology and assumptions used to derive results in respect of the parts of the Pillar 1 Solvency II rules and regulations which are not listed as in scope in our Scope of Work above;

- Delta Lloyd's determination of the part of Own Funds and SCR related to Other Financial Sectors.

We have also relied on Delta Lloyd having brought to our attention any other information or data which ought to have been made available to us that might materially affect our opinion set out herein. A Letter of Representation verifying the accuracy and completeness of the information utilised by Willis Towers Watson for the purposes of this report has been provided by two Executive Board members of Delta Lloyd.

Judgements as to the contents of this report should be made only after studying this report in its entirety, together with the rest of the Prospectus, as the conclusions reached by review of a section or sections on an isolated basis may be incorrect.

This report is produced for the Board members of Delta Lloyd and designed solely to meet their requirements in relation to the offering by Delta Lloyd of new ordinary shares as described in the Prospectus.

We have not attempted to determine the quality of the current asset portfolios of Delta Lloyd.

The Solvency II Results only consider claims by policyholders in the normal course of business under the terms of the policies issued to them. No attempt has been made to determine the effect of any other claims by or against Delta Lloyd. It has been assumed that the provision made in respect of compensation payments to Dutch unit-linked policyholders relating to settlement agreements (as described in the Prospectus) will be sufficient to meet the actual level of these claims. We are not in a position (and nor does it form part of our remit) to ascertain whether such provision in the accounts is sufficient or not.

The Solvency II Results are based on a series of assumptions as to the future. It should be recognised that actual future results will differ from those shown, on account of changes in the operating, economic and regulatory environments and natural variations in experience, which could have a significant effect on the conclusions of this report. No warranty is given by Willis Towers Watson that future experience will be in line with the assumptions made.

The Solvency II Results do not consider the possible financial implications arising from changes to the current regulatory solvency requirements, or changes to existing regulatory requirements, which may, for example, change the level of capital support required to sustain the business or constrain the way in which the assets are invested.

The Solvency II Results shown are not intended to represent an opinion of market value and should not be interpreted in that manner. This report does not purport to encompass all of the many factors that may bear upon a market value.

This report and the opinions and conclusions herein are presented as at 23 March 2016 and may be rendered inaccurate by developments after this date.

Disclosures and Consents

This opinion is made solely to Delta Lloyd in accordance with the terms of Willis Towers Watson's engagement letter. Willis Towers Watson has given, and not withdrawn, its written consent to the inclusion of this report and its name within the Prospectus only in the form and context in which they are included. Willis Towers Watson does not authorise or cause the issue of such Prospectus and takes no responsibility for its contents, other than to the extent stated in this report.

Yours faithfully,

For and on behalf of Willis Towers Watson,

Paul den Hartog
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