

**Press release**

30 November 2017

**NN Group Capital Markets Day: 'Capitalising on our combined strengths'**

- Strong progress on strategy execution and delivery of financial targets since IPO
- Cost reduction target of approximately EUR 350 million by 2020, reflecting cost synergies from Delta Lloyd acquisition and standalone cost reduction plans
- Target annual operating result before tax of the ongoing business growth rate on average of 5-7% in the medium term
- Expect over time to generate free cash flow in a range around the net operating result of the ongoing business
- Capital framework and dividend policy remain unchanged
- Continuing to improve performance, transform the business model and drive customer satisfaction and shareholder value
- Integration of Delta Lloyd to be completed by 2020, with legal mergers completed by 2019

Today, Lard Friese, CEO of NN Group, members of the Management Board and CEOs of several business units will address the analyst and investment community at a Capital Markets Day (CMD) in Rotterdam, the Netherlands. The theme is 'Capitalising on our combined strengths'.

Lard Friese, CEO of NN Group: 'This is NN Group's second Capital Markets Day as a listed company. We have achieved significant milestones since the IPO in 2014. We completed a successful transition out of ING Group, establishing the NN identity and brand, we further strengthened our position in the markets where we operate, and expanded our distribution capabilities. We have focused on improving the performance of our business units and increasing efficiency. Our expense base in the Netherlands is now more than 25% lower than in 2013. There are some areas that have not yet performed to our satisfaction, such as the low profitability of our Non-life business and lagging inflows at our asset manager. We will continue to take action to turn this around. We are proud to have seen an improvement of our customer satisfaction and employee engagement across all regions. Our balance sheet has remained strong at all times, in line with our disciplined approach to managing our capital. Our aim has always been to deploy our capital in ways that create value for our shareholders. This was also the principle underlying the acquisition of Delta Lloyd in April this year. NN Group's Solvency II ratio at the end of the third quarter 2017 of 204% and our cash capital at the holding company of EUR 1.2 billion on a pro-forma basis at the end of the third quarter of 2017, provide a solid foundation for the combined group.

Since the completion of the acquisition in the second quarter of 2017 we have made a good start with the integration of Delta Lloyd into NN Group. We expect the integration to deliver cost synergies, allowing us to further improve efficiency. Our target is to reduce the full-year 2016 cost base of the entities in scope of the integration by approximately EUR 350 million, of which about half is to be realised by the end of 2018. This will bring our administrative expense base for these units to EUR 1,675

million by the end of 2020. Additionally, we target an annual growth rate of 5-7% on average of our operating result before tax of the ongoing business in the medium term, and reconfirm our guidance that over time we expect to generate free cash available to shareholders in a range around the net operating result of the ongoing business.

Looking ahead we have set ourselves four priorities. First of all, we will deliver on the Delta Lloyd transaction, creating a leading insurance and pension company in the Dutch market, with a strong presence in Belgium and an attractive proposition in asset management and banking. The integration of the two companies will be a multi-year process. Combining the businesses at the asset manager, the bank, the Belgian business and the head office should be largely complete by the end of 2018. The integration of the Dutch Life and Non-life units is more complex and will be completed by 2020. Subject to regulatory approval, we aim to complete the legal mergers of the NN and Delta Lloyd asset management as well as banking entities in 2018, and in 2019 for NN Life and Delta Lloyd Life and NN Non-Life and Delta Lloyd Non-Life.

Secondly, we will continue to further improve the performance of our businesses. The main growth areas are Insurance Europe, Japan and Asset Management. The businesses in Europe are well positioned with strong franchises that deliver profitable growth and generate value. Japan Life has a strong niche position and continues to focus on driving value through product innovation and expanding its distribution. NN Investment Partners, our asset manager, is enhancing its focus on core investment capabilities. The integration of Delta Lloyd Asset Management has also added scale which will deliver efficiency benefits.

Reinforced by the acquisition of Delta Lloyd, the Netherlands remains the largest contributor to the Group's earnings. We aim to restore the profitability of our Non-life business by improving underwriting performance and realising cost reductions to structurally improve the combined ratio. In our Netherlands Life business, we will capture the opportunities of the changing pension market, whilst optimising the asset allocation, selectively reinsuring longevity, and managing the run-off of closed books to release capital. With the Delta Lloyd acquisition, we have materially strengthened our position in Belgium that can be built upon in the medium term.

Our third priority is to accelerate the transformation of our business model through further technical and digital innovation in order to enhance agility and create the customer experience of tomorrow. The business units continually look to improve their existing offering, process and services to create a digital, personal and relevant customer experience. This new way of working is supported by our 6 Sparklabs that provide an out-of-office environment to foster innovative ideas and infuse innovative thinking into NN. Furthermore we are executing our IT roadmap, to innovate but also to drive efficiency and the speed of delivering products and services to the various markets.

The final priority is to continue rational capital allocation with a focus on creating value. Our investment proposition, dividend policy and capital framework remain unchanged going forward. We reconfirm our objective to pay a sustainable ordinary dividend, expressed as a pay-out ratio of 40-50% of the net operating result of the ongoing business. Excess capital will be returned to shareholders, unless it can be used for value-creating opportunities.

We have made good progress on our journey as a standalone company over the past three and a half years. The four priorities that we have defined for the coming years support our purpose to provide excellent products and services to our customers to help them secure their financial futures.'

All presentations at the Capital Markets Day are available online and can be followed live via webcast on [www.nn-group.com/investors](http://www.nn-group.com/investors).

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**Press enquiries NN Group**

Media Relations

+31 70 513 1918

[mediarelations@nn-group.com](mailto:mediarelations@nn-group.com)

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**Investor enquiries NN Group**

Investor Relations

+31 88 663 5464

[investor.relations@nn-group.com](mailto:investor.relations@nn-group.com)

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**NN Group profile**

NN Group is an international insurance and asset management company, active in 18 countries, with a strong presence in a number of European countries and Japan. With all our employees the Group offers retirement services, pensions, insurance, investments and banking to approximately 17 million customers. NN Group's main brands are Nationale-Nederlanden, NN, Delta Lloyd, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA. NN Group is listed on Euronext Amsterdam (NN).

**Important legal information**

Elements of this press release contain or may contain information about NN Group N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/ 2014 (Market Abuse Regulation).

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations and the interpretation and application thereof, (13) changes in the policies and actions of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies, (18) catastrophes and terrorist-related events, (19) adverse developments in legal and other proceedings and (20) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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