

## NN Group reports 2Q19 results

- Operating result of EUR 445 million versus EUR 508 million in 2Q18, reflecting lower private equity dividends at Netherlands Life and lower results of the reinsurance business, partly offset by improved results at Insurance Europe, Netherlands Non-life and Japan Life
- Net result of EUR 606 million, up from EUR 463 million in 2Q18
- Total cost reductions achieved to date of EUR 306 million versus the full-year 2016 administrative expense base
- Value of new business (VNB) for 6M19 up 15.4% to EUR 236 million driven by Insurance Europe and Japan Life; total new sales (APE) of EUR 243 million, down 32.5% from 2Q18 at constant currencies
- Solvency II ratio of 210% down from 213% at the end of 1Q19, reflecting movements in credit spreads and the deduction of the 2019 interim dividend, partly offset by operating capital generation
- Holding company cash capital of EUR 2,220 million, including EUR 558 million dividends received from subsidiaries in all segments
- 2019 interim dividend of EUR 0.76 per ordinary share or approximately EUR 252 million

Delfin Rueda, CFO of NN Group: 'NN Group has today reported an operating result of EUR 445 million for the second quarter of 2019. We see continued improvement in the performance of Netherlands Non-life, with a combined ratio of 95.8% for this quarter. Insurance Europe and Japan Life also posted higher results. Conversely, private equity dividends at Netherlands Life were lower than a year ago and the reinsurance business received higher claims. We continue to focus on enhancing the efficiency of the organisation, with total expense reductions to date of the units in scope of the integration of EUR 306 million compared with the 2016 full-year administrative expense base. We are committed to reducing the cost base by EUR 400 million by the end of 2020, however we don't expect expense reductions to be linear going forward as some units are incurring costs to support their growth and to make necessary investments.

The value of new business increased 15% in the first six months of this year, mainly driven by an improved business mix and higher life and pension sales in Europe, as well as higher sales in Japan in the first quarter of the year.

Our capital position remains strong with a cash capital position of EUR 2,220 million at the end of the second quarter and a Solvency II ratio of 210%, after deduction of the interim dividend announced today of EUR 0.76 per ordinary share to be paid in September.

The announcement in June to acquire VIVAT Non-life represents a next step in strengthening the Non-life business in the Netherlands, as scale is essential to deliver attractive and sustainable customer propositions in this competitive market in the long term.

As part of our efforts to support the Paris Agreement on climate change, we implemented a coal policy. By placing investment restrictions on thermal coal mining companies and intensifying our dialogue with power generation companies, we aim to accelerate the transition to a low-carbon economy.

Earlier this week we announced the intended appointment of David Knibbe as CEO of NN Group, as successor for Lard Friese who has stepped down from this role, effective 12 August 2019. We are convinced that David, currently CEO of our Netherlands businesses, is the right person to lead NN Group during the next phase of its journey. Following this change in the leadership we have decided to reschedule the Capital Markets Update to mid-2020.

Last month we celebrated our fifth anniversary as a standalone company. Together with our 15,000 employees, we have guided NN Group from the IPO in July 2014 to the company it is today. NN is well-positioned for the future and fully committed to helping our customers secure their financial futures.'

### NN Group key figures

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
Operating result <sup>1)</sup>	445	508	-12.3%	914	821	11.3%
Net result	606	463	30.7%	1,118	862	29.6%
	2Q19	1Q19	2Q18			
Solvency II ratio <sup>2)</sup>	210%	213%	226%			

Note: All footnotes are included on page 26

## Business update

Our business is built on a solid foundation of purpose, values and brand attributes, which, combined with a strong focus on our strategic priorities, enables us to create long-term value. This is how we deliver on our ambition to be a company that truly matters in the lives of our stakeholders.

### Strategic developments

NN Group is strengthening its Non-life activities with the announcement to acquire VIVAT's Non-life business in June. Furthermore, NN announced the acquisition of Human Capital Services (HCS) in July, a company focused on services and solutions for sustainable employability. HCS is entering into a strategic partnership with Otherside at Work, an organisation that develops software in the field of occupational health and social security. In addition to this, NN also acquired a minority interest in Otherside. These transactions strengthen Nationale-Nederlanden's positions in sustainable employability services.

NN Investment Partners (NN IP) formalised its long-term partnership with ING Bank Śląski in Poland in July after receiving regulatory approval. Under this partnership, ING Bank Śląski has acquired a 45% stake in NN IP in Poland, and will distribute NN funds to the Polish retail market through its extensive branch network.

### Customers

NN Life Japan is adjusting its product portfolio to meet the requirements of the new tax rules and was the first to launch renewed COLI products in July. In addition the continued focus of NN Japan Life on the sale of protection products resulted in a 30% growth in protection VNB during the first six months of 2019.

OHRA launched Clix, an insurance for borrowed cars which can be taken out for just one day with a maximum of 30 days. In May, NN Hellas in Greece launched a new growing guarantee product 'Smart Move' which is offered through the bancassurance channel. This product allows customers to build up a long-term investment through regular payments, instead of by providing initial capital. NN IP takes an active approach to Responsible Investing. In April 2019, it launched a new short-duration green bond fund, which contributes to the United Nations' Sustainable Development Goals (SDGs).

### Sustainability

NN wants to have a positive impact on society, for example by contributing to the transition towards a low carbon economy. Together with approximately 50 other representatives, NN Group signed the financial sector commitment to the Dutch Climate agreement, which aims to reduce greenhouse gas emissions by 49% by 2030 (compared with 1990 levels). In addition, NN and the social enterprise Plastic Whale joined forces to fight plastic waste by raising awareness.

### Sponsoring, Events and Awards

Spanish economic newspaper Expansión and Allfunds named the joint Nationale-Nederlanden and NN Investment Partners Europa Pension Fund one of the best pension funds of 2018 in the category 'Pension Funds- Multi-Asset Moderate'. Furthermore, a number of NN IP funds achieved recognition in the second quarter: amongst others, the NN (L) Green Bond was awarded Best Global Aggregate Bond Fund at the GFSI Swiss Sustainable Awards in June. The ABN AMRO Verzekeringen legal assistance insurance was named best product by Dutch consumer organisation 'De Consumentenbond' and its travel insurance given a five star rating by MoneyView. The NN North Sea Jazz Festival took place in Rotterdam from 12 to 14 July, the second edition with NN as the title sponsor. The 75,000 visitors to NN North Sea Jazz could also enjoy photography by Ed van der Elsen at the 'Lust for life' popup exhibition, a collaboration between Nationale-Nederlanden and the Nederlands Fotomuseum.

### People

On 29 May 2019, Jan Holsboer stepped down as chair of the Supervisory Board of NN Group N.V., and was succeeded by David Cole. Furthermore, as part of the ongoing integration of Delta Lloyd, the separate Collective Labour Agreements of Delta Lloyd and NN have been harmonised into one new agreement. In addition, NN IP was recognised for its achievements in diversity and inclusion with the 'Golden Pump' award, an award given by the association of Women in Institutional Pensions in the Netherlands.

## Consolidated results

### Consolidated profit and loss account and key figures NN Group

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results<sup>1)</sup></b>						
Netherlands Life	257	332	-22.7%	524	544	-3.7%
Netherlands Non-life	56	40	41.1%	84	8	
Insurance Europe	82	63	28.6%	140	134	4.1%
Japan Life	33	27	21.6%	118	93	26.3%
Asset Management	40	41	-2.6%	76	82	-7.4%
Banking	30	36	-16.1%	60	69	-13.0%
Other	-52	-32		-88	-110	
<b>Operating result</b>	<b>445</b>	<b>508</b>	<b>-12.3%</b>	<b>914</b>	<b>821</b>	<b>11.3%</b>
Non-operating items	367	223	64.7%	593	494	19.8%
of which gains/losses and impairments	89	342	-73.8%	94	370	-74.5%
of which revaluations	316	-18		573	204	180.9%
of which market & other impacts	-38	-101		-75	-80	
Special items	-55	-86		-108	-165	
Acquisition intangibles and goodwill	-8	-33		17	-66	
Result on divestments	0	0		8	4	115.7%
<b>Result before tax</b>	<b>749</b>	<b>611</b>	<b>22.5%</b>	<b>1,424</b>	<b>1,088</b>	<b>30.9%</b>
Taxation	139	145	-4.0%	296	222	33.3%
Minority interests	5	4	28.6%	10	3	191.3%
<b>Net result</b>	<b>606</b>	<b>463</b>	<b>30.7%</b>	<b>1,118</b>	<b>862</b>	<b>29.6%</b>
Basic earnings per ordinary share in EUR <sup>3)</sup>	1.78	1.34		3.26	2.49	
<b>Key figures<sup>1)</sup></b>						
Gross premium income	2,922	2,952	-1.0%	7,819	7,443	5.1%
New sales life insurance (APE)	243	357	-31.8%	1,188	904	31.4%
Value of new business (VNB)				236	205	15.4%
Total administrative expenses	512	505	1.5%	1,030	1,037	-0.7%
Cost/income ratio (Administrative expenses/Operating income)	28.3%	28.0%		27.8%	28.8%	
Combined ratio (Netherlands Non-life) <sup>5)</sup>	95.8%	97.9%		96.8%	102.2%	
Investment margin/Life general account invested assets (bps) <sup>7)</sup>	70	69				
Net operating result <sup>8)</sup>	326	387	-15.7%	685	623	9.9%
Net operating ROE <sup>9)</sup>	8.8%	11.7%		9.4%	9.5%	
<b>In EUR billion</b>						
<b>Key figures</b>						
Asset Management Assets under Management	268	260	2.8%	268	240	11.6%
Life general account invested assets	142	140	1.3%	142	136	4.3%
Total provisions for insurance & investment contracts	167	165	0.9%	167	164	2.0%
of which for risk policyholder	33	32	2.4%	33	32	2.5%
Solvency II ratio <sup>2)</sup>	210%	213%		210%	226%	
NN Life Solvency II ratio <sup>2)</sup>	212%	217%		212%	239%	
CET1 ratio <sup>4)</sup>	16.0%	16.3%		16.0%	16.2%	
Total assets	246	237	4.0%	246	228	8.0%
Shareholders' equity <sup>5)</sup>	30,385	26,695	13.8%	30,385	23,568	28.9%
Employees (internal FTEs, end of period)	14,227	14,221	0.0%	14,227	14,031	1.4%

- Operating result of EUR 445 million versus EUR 508 million in 2Q18, reflecting lower private equity dividends at Netherlands Life and lower results of the reinsurance business, partly offset by improved results at Insurance Europe, Netherlands Non-life and Japan Life
- Result before tax increased to EUR 749 million from EUR 611 million in the second quarter of 2018, mainly reflecting higher revaluations, better market and other impacts, partly offset by lower gains/losses and impairments
- Administrative expense base of the business units in the scope of the cost reduction target increased by EUR 3 million in the second quarter of 2019; total cost reductions achieved to date of EUR 306 million
- New sales (APE) were EUR 243 million, down 32.5% from the second quarter of 2018 on a constant currency basis, mainly as a result of lower sales at Japan Life due to the sales suspension of certain COLI products, partly offset by higher sales at Insurance Europe and Netherlands Life
- Value of new business (VNB) for the first six months of 2019 increased 15.4% to EUR 236 million, driven by an improved business mix and higher sales at Insurance Europe and Japan Life

### Operating result

NN Group's operating result was EUR 445 million, down from EUR 508 million in the second quarter of 2018, which benefited from EUR 69 million of private equity dividends and non-recurring items.

The administrative expenses of the business units in the scope of the cost reduction target - Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking and Corporate/Holding entities - increased by EUR 3 million on a last 12-months basis. Administrative expenses in the same quarter last year included EUR 13 million of non-recurring benefits. Total cost reductions achieved to date amount to EUR 306 million, bringing the expense base to EUR 1,663 million compared with the full-year 2016 administrative expense base of EUR 1,970 million.

The operating result of Netherlands Life decreased to EUR 257 million from EUR 332 million in the second quarter of 2018, reflecting a lower investment margin as the second quarter of 2018 benefited from private equity dividends for a total amount of EUR 55 million, a lower technical margin and lower fees and premium-based revenues, partly compensated by lower expenses.

The operating result of Netherlands Non-life increased to EUR 56 million from EUR 40 million in the second quarter of 2018 driven by an improved claims experience mainly in Property & Casualty. This was partly offset by lower investment income as the second quarter of 2018 benefited from a EUR 6 million private equity dividend, as well as higher administrative expenses. The combined ratio improved to 95.8% from 97.9% in the second quarter of 2018.

The operating result of Insurance Europe increased to EUR 82 million from EUR 63 million in the second quarter of 2018, which included a non-recurring item of EUR -5 million in Belgium. The current quarter reflects a EUR 6 million non-recurring benefit, an improved technical margin, higher performance fees in Slovakia, and a limited positive contribution from the acquired Czech and Slovak businesses. This was partly offset by lower pension fees in Romania.

The operating result of Japan Life was EUR 33 million, up 15.5% from the second quarter of 2018, excluding currency effects, reflecting a higher technical margin and lower DAC amortisation and trail commissions, partly offset by lower fees and premium-based revenues.

The operating result of Asset Management was EUR 40 million versus EUR 41 million in the second quarter of 2018 reflecting lower fees, partly compensated by a decrease of administrative expenses.

The operating result of Banking decreased to EUR 30 million from EUR 36 million in the second quarter of 2018 mainly due to higher additions to the loan loss provisions and higher operating expenses supporting an increase in mortgage origination.

The operating result of the segment Other decreased to EUR -52 million from EUR -32 million in the second quarter of 2018, mainly due to the lower operating result of the reinsurance business reflecting disability claims and a large claim from a legacy reinsurance portfolio.

In the first six months of 2019, the operating result increased to EUR 914 million from EUR 821 million in the same period last year, which included the impact of the January 2018 storm for a total amount of EUR 89 million. The first six months of 2019 benefited from a total of EUR 67 million of private equity dividends and non-recurring items, versus a total of EUR 70 million in the first six months of 2018. Excluding these items, the increase mainly reflects higher results at Japan Life and Netherlands Non-life, partly offset by a lower result at Netherlands Life.

### **Result before tax**

The result before tax increased to EUR 749 million from EUR 611 million in the second quarter of 2018. The current quarter reflects higher non-operating items, lower special items and a lower amortisation of acquisition intangibles, partly offset by the lower operating result.

Gains/losses and impairments were EUR 89 million compared with EUR 342 million in the second quarter of 2018, which included gains on the sale of government bonds, real estate and public equities. The current quarter mainly reflects gains on the sale of government bonds.

Revaluations were EUR 316 million compared with EUR -18 million in the second quarter of 2018. The current quarter includes EUR 153 million positive revaluations on derivatives used for hedging purposes reflecting accounting asymmetries, EUR 121 million positive revaluations on real estate and EUR 69 million positive revaluations on private equity.

Market and other impacts were EUR -38 million compared with EUR -101 million in the second quarter of 2018. The current quarter reflects the movement in the provisions for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging) at Netherlands Life. The result before tax of Japan Closed Block VA improved to EUR 1 million from EUR -11 million in the second quarter of 2018.

Special items decreased to EUR -55 million from EUR -86 million in the second quarter of 2018. Special items in the current quarter relate to EUR -34 million of restructuring expenses incurred in respect of the cost reduction target for Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking and Corporate/Holding entities and EUR -21 million of other project related expenses, such as the implementation of IFRS 17.

Acquisition intangibles and goodwill amounted to EUR -8 million versus EUR -33 million in the second quarter of 2018, reflecting lower amortisation of acquisition intangibles.

In the first six months of 2019, the result before tax increased to EUR 1,424 million from EUR 1,088 million in the first six months of 2018. The increase reflects higher non-operating items, the higher operating result, a positive contribution from acquisition intangibles and goodwill, and lower special items.

### **Net result**

The net result increased to EUR 606 million from EUR 463 million in the second quarter of 2018. The effective tax rate in the second quarter of 2019 was 18.5%, reflecting tax-exempt dividends and capital gains in the Netherlands related to shareholdings of 5% or more.

In the first six months of 2019, the net result increased to EUR 1,118 million from EUR 862 million in the same period last year, reflecting the higher results before tax.

### **Sales and Value of New Business**

Total new sales (APE) at NN Group were EUR 243 million, down 32.5% from the second quarter of 2018 on a constant currency basis. New sales at Japan Life decreased to EUR 32 million from EUR 163 million in the same period last year, due to the sales suspension of certain COLI products following a revision of tax regulations. At Insurance Europe, new sales were up 11.8% on a constant currency basis, mainly driven by higher life and pension sales and the contribution from the acquired Czech and Slovak businesses. At Netherlands Life new sales were up 12.5%.

In the first six months of 2019, total new sales were up 30.9% on a constant currency basis to EUR 1,188 million, driven by higher sales at all insurance units. The higher sales at Netherlands Life reflect a higher volume of group pension contracts and higher sales at Japan Life in the first quarter 2019 were driven by strong sales efforts and customer expectations of a revision of tax rules for COLI products. In addition, higher sales in Insurance Europe reflect higher life and pension sales and the contribution of the aforementioned acquisition.

In the first six months of 2019, the value of new business (VNB) increased to EUR 236 million from EUR 205 million in the same period last year, mainly driven by an improved business mix and higher sales in Insurance Europe as well as higher sales at Japan Life in the first quarter 2019 driven by strong sales efforts and customer expectations of a revision of tax rules for COLI products.



### **Net operating Return On Equity (ROE)**

The net operating ROE of NN Group decreased to 8.8% compared with 11.7% in the second quarter of 2018, mainly due to the lower net operating result.

The net operating ROE in the first six months of 2019 was 9.4% versus 9.5% in the same period of 2018, mainly due to higher equity.

## Netherlands Life

- Operating result decreased to EUR 257 million from EUR 332 million in the second quarter of 2018, largely reflecting lower private equity dividends, a lower technical margin and lower fees and premium-based revenues
- Result before tax increased to EUR 561 million from EUR 557 million in the second quarter of 2018, mainly reflecting higher revaluations, partly offset by lower capital gains and the lower operating result

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Investment margin	240	292	-17.9%	482	473	1.9%
Fees and premium-based revenues	100	111	-9.7%	209	236	-11.4%
Technical margin	39	54	-28.3%	81	100	-19.1%
Operating income non-modelled business	0	0		0	0	
<b>Operating income</b>	<b>379</b>	<b>457</b>	<b>-17.1%</b>	<b>772</b>	<b>809</b>	<b>-4.6%</b>
Administrative expenses	114	115	-1.3%	230	244	-5.8%
DAC amortisation and trail commissions	8	9	-13.3%	17	21	-15.8%
<b>Expenses</b>	<b>122</b>	<b>125</b>	<b>-2.2%</b>	<b>248</b>	<b>265</b>	<b>-6.6%</b>
<b>Operating result</b>	<b>257</b>	<b>332</b>	<b>-22.7%</b>	<b>524</b>	<b>544</b>	<b>-3.7%</b>
Non-operating items	310	237	31.1%	564	487	15.8%
of which gains/losses and impairments	18	317	-94.2%	15	346	-95.8%
of which revaluations	331	-7		614	210	192.6%
of which market & other impacts	-40	-74		-64	-68	
Special items	-6	-12		-20	-27	
Result on divestments	0	0		5	0	
<b>Result before tax</b>	<b>561</b>	<b>557</b>	<b>0.7%</b>	<b>1,073</b>	<b>1,005</b>	<b>6.8%</b>
Taxation	98	129	-23.9%	224	207	8.4%
Minority interests	2	2	-24.0%	5	4	28.6%
<b>Net result</b>	<b>461</b>	<b>426</b>	<b>8.3%</b>	<b>844</b>	<b>794</b>	<b>6.3%</b>
<b>New business</b>						
Single premiums	98	101	-3.7%	230	224	2.5%
Regular premiums	44	38	16.8%	305	169	80.9%
New sales life insurance (APE)	54	48	12.5%	328	191	71.7%
Value of new business				1	5	-88.8%
<b>Key figures</b>						
Gross premium income	771	775	-0.6%	2,121	2,118	0.2%
Total administrative expenses	114	115	-1.3%	230	244	-5.8%
Cost/income ratio (Administrative expenses/Operating income)	30.0%	25.2%		29.8%	30.2%	
Investment margin/Life general account invested assets (bps) <sup>7)</sup>	85	83				
Net operating ROE <sup>10)</sup>	7.7%	11.2%		8.2%	9.3%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
Life general account invested assets	107	105	1.9%	107	102	4.7%
Total provisions for insurance & investment contracts	115	114	0.9%	115	114	1.2%
of which for risk policyholder	23	22	3.0%	23	21	6.7%
Allocated equity (end of period) <sup>6)10)</sup>	23,538	20,096	17.1%	23,538	16,776	40.3%
NN Life Solvency II ratio <sup>2)</sup>	212%	217%		212%	239%	
Employees (internal FTEs, end of period)	2,375	2,396	-0.9%	2,375	2,499	-5.0%

The operating result of Netherlands Life decreased to EUR 257 million from EUR 332 million in the second quarter of 2018, reflecting a lower investment margin as the second quarter of 2018 benefited from private equity dividends for a total amount of EUR 55 million, a lower technical margin and lower fees and premium-based revenues, partly compensated by lower expenses.

The investment margin decreased to EUR 240 million compared with EUR 292 million in the second quarter of 2018. The current quarter reflects EUR 4 million of private equity dividends whereas the second quarter of 2018 benefited from a private equity dividend and a dividend from an indirect stake in ING Life Korea for a total amount of EUR 55 million. The investment spread, calculated on a four quarter rolling average, increased to 85 basis points from 83 basis points in the second quarter of 2018.

Fees and premium-based revenues decreased to EUR 100 million from EUR 111 million in the second quarter of 2018, due to the run-off of the individual life closed book as well as lower margins in the pension business. The current quarter also reflects EUR -6 million of non-recurring items.

The technical margin decreased to EUR 39 million from EUR 54 million in the second quarter of 2018, which benefited from favourable mortality results, whereas the current quarter reflects unfavourable mortality results.

Administrative expenses were EUR 114 million versus EUR 115 million in the second quarter of 2018.

DAC amortisation and trail commissions decreased to EUR 8 million compared with EUR 9 million in the second quarter of 2018 due to the run-off of the individual life closed book.

The result before tax increased to EUR 561 million from EUR 557 million in the second quarter of 2018, reflecting higher revaluations, partly offset by lower capital gains and the lower operating result. Gains/losses and impairments decreased to EUR 18 million from EUR 317 million in the same period last year, which benefited from gains on the sale of government bonds, public equities and real estate. Revaluations increased to EUR 331 million compared with EUR -7 million in the second quarter of 2018. The current quarter reflects positive revaluations on derivatives used for hedging purposes reflecting accounting asymmetries as well as revaluations of real estate and private equity. Market and other impacts were EUR -40 million versus EUR -74 million in the second quarter last year, reflecting movements in the provisions for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging).

New sales (APE) increased to EUR 54 million compared with EUR 48 million in the second quarter of 2018, reflecting a higher volume of group pension contracts.

In the first six months of 2019, Netherlands Life's operating result decreased to EUR 524 million from EUR 544 million in the same period last year. The decrease is largely due to lower fees and premium-based revenues reflecting the run-off of the individual life closed book and lower margins in the pension business as well as a lower technical margin driven by lower mortality results, partly offset by lower administrative expenses and a higher investment margin.

The result before tax increased to EUR 1,073 million in the first six months of 2019 compared with EUR 1,005 million in the same period last year. The increase reflects higher revaluations on derivatives used for hedging purposes, partly offset by lower gains on the sale of government bonds, real estate and public equity and the lower operating result.

New sales (APE) increased to EUR 328 million in the first six months of 2019 from EUR 191 million in the same period last year, reflecting a higher volume of group pension contracts up for renewal.

The value of new business (VNB) was EUR 1 million in the first six months of 2019 versus EUR 5 million in the same period last year.



## Netherlands Non-life

- Operating result increased to EUR 56 million from EUR 40 million in the second quarter of 2018 driven by an improved claims experience in Property & Casualty (P&C)
- Combined ratio improved to 95.8% from 97.9% in the second quarter of 2018

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Earned premiums	753	692	8.8%	1,477	1,427	3.5%
Investment income	35	38	-9.3%	55	62	-10.7%
Other income	-2	-3		-1	-3	
<b>Operating income</b>	<b>786</b>	<b>727</b>	<b>8.1%</b>	<b>1,531</b>	<b>1,486</b>	<b>3.0%</b>
<b>Claims incurred, net of reinsurance</b>	<b>526</b>	<b>497</b>	<b>5.8%</b>	<b>1,045</b>	<b>1,082</b>	<b>-3.5%</b>
Acquisition costs	133	121	9.9%	262	251	4.3%
Administrative expenses	78	76	3.4%	154	158	-2.5%
<b>Acquisition costs and administrative expenses</b>	<b>211</b>	<b>196</b>	<b>7.4%</b>	<b>416</b>	<b>409</b>	<b>1.7%</b>
<b>Expenditure</b>	<b>737</b>	<b>693</b>	<b>6.3%</b>	<b>1,461</b>	<b>1,492</b>	<b>-2.0%</b>
<b>Operating result insurance businesses</b>	<b>49</b>	<b>34</b>	<b>45.2%</b>	<b>70</b>	<b>-6</b>	
Operating result health business and broker business	7	6	18.1%	14	14	5.4%
<b>Total operating result</b>	<b>56</b>	<b>40</b>	<b>41.1%</b>	<b>84</b>	<b>8</b>	
Non-operating items	9	3	202.8%	12	12	1.4%
of which gains/losses and impairments	5	7	-31.5%	8	11	-24.5%
of which revaluations	5	-3		4	2	90.8%
of which market & other impacts	0	-1		0	-1	
Special items	-15	-29		-26	-52	
Result on divestments	0	0		0	0	
<b>Result before tax</b>	<b>50</b>	<b>14</b>	<b>270.4%</b>	<b>70</b>	<b>-32</b>	
Taxation	11	4	181.4%	15	-10	
Minority interests	3	1	125.1%	5	0	
<b>Net result</b>	<b>37</b>	<b>9</b>	<b>329.9%</b>	<b>50</b>	<b>-21</b>	
<b>Key figures</b>						
Gross premium income	676	678	-0.3%	1,956	1,940	0.8%
Total administrative expenses <sup>11)</sup>	97	94	2.8%	191	196	-2.3%
Combined ratio <sup>5)</sup>	95.8%	97.9%		96.8%	102.2%	
of which Claims ratio <sup>5)</sup>	67.8%	69.5%		68.7%	73.6%	
of which Expense ratio <sup>5)</sup>	28.0%	28.4%		28.2%	28.7%	
Net operating ROE <sup>10)</sup>	24.6%	17.4%		19.0%	2.3%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
Total insurance provisions	6	6	-1.0%	6	6	1.4%
Allocated equity (end of period) <sup>6)10)</sup>	1,005	949	5.8%	1,005	920	9.2%
Employees (internal FTEs, end of period)	2,718	2,738	-0.7%	2,718	2,609	4.2%

The operating result of Netherlands Non-life increased to EUR 56 million from EUR 40 million in the second quarter of 2018 driven by an improved claims experience mainly in Property & Casualty (P&C). This was partly offset by lower investment income as the second quarter of 2018 benefited from a EUR 6 million private equity dividend, as well as higher administrative expenses. The combined ratio improved to 95.8% from 97.9% in the second quarter of 2018.

The operating result in Disability & Accident (D&A) increased to EUR 33 million from EUR 29 million in the second quarter of 2018 driven by a favourable claims development in the Group Income portfolio, partly offset by lower investment income. Unfavourable claims experience in the Individual Disability portfolio was covered by reinsurance with NN Re. The D&A combined ratio was 91.4% versus 93.1% in the second quarter of 2018.

The operating result in Property & Casualty increased to EUR 16 million from EUR 5 million in the second quarter of 2018 reflecting a favourable claims development across all business lines, despite higher weather-related claims, partly offset by higher administrative expenses and lower investment income. The P&C combined ratio improved to 98.3% from 100.9% in the second quarter of 2018.

Administrative expenses increased to EUR 78 million from EUR 76 million in the second quarter of 2018.

The operating result of the health business and broker business was EUR 7 million versus EUR 6 million in the second quarter of 2018.

The result before tax of Netherlands Non-life increased to EUR 50 million from EUR 14 million in the second quarter of 2018, reflecting the higher operating result and lower special items. Special items in the second quarter of 2018 included a charge related to the agreement with Van Ameyde to insource claims handling activities.

In the first six months of 2019, the operating result of Netherlands Non-life increased to EUR 84 million from EUR 8 million in the same period last year, which included the impact of the January 2018 storm for an amount of EUR 56 million net of reinsurance. Excluding this impact, the increase was mainly attributable to an improved underwriting performance in P&C and lower administrative expenses, partly offset by lower investment income.

The result before tax for the first six months of 2019 increased to EUR 70 million from EUR -32 million in the same period of 2018, reflecting the higher operating result and lower special items. Special items in the first six months of 2018 included a charge related to the agreement with Van Ameyde to insource claims handling activities.

The combined ratio for the first six months of 2019 was 96.8% compared with 102.2% in the same period of 2018, or 98.3% excluding the impact of the January 2018 storm.

## Insurance Europe

- Operating result increased to EUR 82 million from EUR 63 million in the second quarter of 2018 which included a non-recurring item of EUR -5 million, while the current quarter reflects a EUR 6 million non-recurring benefit
- New sales (APE) were EUR 158 million, up 11.8% from the second quarter of 2018 at constant currencies, largely driven by higher life and pension sales and the contribution from the acquired Czech and Slovak businesses
- Value of new business (VNB) for the first six months of 2019 was EUR 108 million, up from EUR 83 million in the same period last year, reflecting an improved business mix and higher life and pension sales

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Investment margin	25	23	7.1%	49	46	5.8%
Fees and premium-based revenues	183	173	5.3%	360	354	1.6%
Technical margin	63	46	35.8%	120	101	18.4%
Operating income non-modelled business	0	1	-48.3%	1	1	-19.6%
<b>Operating income Life Insurance</b>	<b>270</b>	<b>243</b>	<b>11.1%</b>	<b>530</b>	<b>503</b>	<b>5.4%</b>
Administrative expenses	103	98	4.8%	206	198	4.3%
DAC amortisation and trail commissions	93	80	16.4%	189	167	13.2%
<b>Expenses Life Insurance</b>	<b>195</b>	<b>177</b>	<b>10.0%</b>	<b>396</b>	<b>365</b>	<b>8.4%</b>
<b>Operating result Life Insurance</b>	<b>75</b>	<b>66</b>	<b>14.0%</b>	<b>134</b>	<b>138</b>	<b>-2.5%</b>
Operating result Non-life	6	-3		5	-4	
<b>Operating result</b>	<b>82</b>	<b>63</b>	<b>28.6%</b>	<b>140</b>	<b>134</b>	<b>4.1%</b>
Non-operating items	49	10	368.9%	36	10	248.0%
of which gains/losses and impairments	61	18	248.0%	65	11	
of which revaluations	-11	-2		-28	5	
of which market & other impacts	-1	-6		-1	-5	
Special items	-11	-7		-17	-13	
Acquisition intangibles and goodwill	0	0		33	0	
Result on divestments	0	0		0	0	
<b>Result before tax</b>	<b>120</b>	<b>67</b>	<b>80.3%</b>	<b>191</b>	<b>132</b>	<b>44.9%</b>
Taxation	27	16	61.6%	36	29	21.0%
Minority interests	0	0		0	0	
<b>Net result</b>	<b>93</b>	<b>50</b>	<b>86.4%</b>	<b>156</b>	<b>103</b>	<b>51.8%</b>
<b>New business</b>						
Single premiums	314	288	9.2%	692	592	16.8%
Regular premiums	126	117	7.7%	279	273	2.2%
New sales life insurance (APE)	158	146	8.0%	348	332	4.8%
Value of new business				108	83	30.4%
<b>Key figures</b>						
Gross premium income	756	724	4.4%	1,533	1,496	2.5%
Total administrative expenses (Life & Non-life)	105	104	1.2%	213	207	2.9%
Cost/income ratio (Administrative expenses/Operating income)	37.0%	41.3%		38.6%	40.0%	
Investment margin/Life general account invested assets (bps) <sup>7)</sup>	52	52				
Net operating ROE <sup>10)</sup>	11.6%	10.3%		10.2%	10.6%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
Life general account invested assets	18	18	-0.8%	18	19	-2.7%
Total provisions for insurance & investment contracts	27	26	2.1%	27	25	4.6%
of which for risk policyholder	8	8	4.1%	8	7	12.8%
Assets under management pensions <sup>12)</sup>	21	20	3.7%	21	18	15.6%
Allocated equity (end of period) <sup>6)</sup> <sup>10)</sup>	2,647	2,598	1.9%	2,647	2,328	13.7%
Employees (internal FTEs, end of period)	4,834	4,767	1.4%	4,834	4,518	7.0%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.4.1 Analysis of results: Insurance Europe – Excluding currency effects'

The operating result of Insurance Europe increased to EUR 82 million from EUR 63 million in the second quarter of 2018, which included a non-recurring item of EUR -5 million in Belgium. The current quarter reflects a EUR 6 million non-recurring benefit, an improved technical margin, higher performance fees in Slovakia, and a limited positive contribution from the acquired Czech and Slovak businesses. This was partly offset by lower pension fees in Romania.

The investment margin was broadly stable at EUR 25 million.

Fees and premium-based revenues increased to EUR 183 million from EUR 173 million in the second quarter of 2018, mainly driven by the increase of the portfolio following the inclusion of the aforementioned acquisition, life portfolio growth across the region and higher performance fees in Slovakia. This was partly offset by lower pension fees mainly in Romania as well as negative currency impacts in Turkey.

The technical margin increased to EUR 63 million from EUR 46 million in the second quarter of 2018, which included a EUR -5 million non-recurring item in Belgium. The current quarter reflects the contribution from the aforementioned acquisition and higher morbidity results in Belgium.

The increase in administrative expenses primarily reflects the aforementioned acquisition.

DAC amortisation and trail commissions increased to EUR 93 million from EUR 80 million in the second quarter of 2018, mainly due to the contribution of the aforementioned acquisition and life portfolio growth across the region.

The Non-life operating result increased to EUR 6 million from EUR -3 million in the second quarter of 2018 mainly due to a EUR 6 million non-recurring benefit.

The result before tax increased to EUR 120 million from EUR 67 million in the second quarter of 2018 due to the higher operating result and gains on the sale of government bonds, partly offset by lower revaluations in Belgium.

New sales (APE) increased to EUR 158 million from EUR 146 million in the second quarter of 2018, mainly due to higher life and pension sales and the contribution of the aforementioned acquisition, partly offset by negative currency impacts in Turkey.

In the first six months of 2019, the operating result increased to EUR 140 million from EUR 134 million in the same period of 2018, mainly driven by the positive contribution from the acquired Czech and Slovak businesses, a higher technical and investment margin and lower administrative expenses. This was partly offset by lower pension fees mainly in Romania.

The result before tax in the first six months of 2019 increased to EUR 191 million from EUR 132 million in the same period of 2018, reflecting gains on the sale of government bonds, the negative goodwill arising from the aforementioned acquisition as well as the higher operating result, partly offset by lower revaluations in Belgium.

New sales (APE) in the first six months of 2019 increased to EUR 348 million from EUR 332 million in the same period of 2018. The increase is mainly driven by higher life and pension sales and the contribution of the aforementioned acquisition, partly offset by negative currency impacts in Turkey.

In the first six months of 2019, the value of new business (VNB) increased to EUR 108 million from EUR 83 million in the same period of 2018, reflecting an improved business mix and higher life and pension sales.

## Japan Life

- Operating result was EUR 33 million, up 15.5% from the second quarter of 2018, excluding currency effects, reflecting better mortality and surrender results, partly offset by lower fees and premium-based revenues
- New sales (APE) were EUR 32 million, down from EUR 163 million in the second quarter of 2018, due to the sales suspension of certain COLI products following a revision of tax regulations
- Value of new business (VNB) for the first six months of 2019 increased to EUR 128 million, up 4.5% from the same period of 2018 excluding currency effects

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Investment margin	-4	-2		-7	-5	
Fees and premium-based revenues	124	130	-4.4%	366	318	15.1%
Technical margin	8	-1		7	-2	
Operating income non-modelled business	0	0		0	0	
<b>Operating income</b>	<b>128</b>	<b>127</b>	<b>1.0%</b>	<b>365</b>	<b>311</b>	<b>17.5%</b>
Administrative expenses	35	33	7.8%	69	65	5.3%
DAC amortisation and trail commissions	60	67	-10.7%	179	152	17.4%
<b>Expenses</b>	<b>95</b>	<b>100</b>	<b>-4.6%</b>	<b>247</b>	<b>217</b>	<b>13.8%</b>
<b>Operating result</b>	<b>33</b>	<b>27</b>	<b>21.6%</b>	<b>118</b>	<b>93</b>	<b>26.3%</b>
Non-operating items	-10	-8		-18	-13	
of which gains/losses and impairments	-4	-4		-4	-3	
of which revaluations	-6	-4		-14	-10	
of which market & other impacts	0	0		0	0	
Special items	-1	0		-2	-1	
Result on divestments	0	0		0	0	
<b>Result before tax</b>	<b>22</b>	<b>19</b>	<b>17.8%</b>	<b>98</b>	<b>79</b>	<b>23.6%</b>
Taxation	6	3	93.0%	28	19	43.5%
Minority interests	0	0		0	0	
<b>Net result</b>	<b>16</b>	<b>16</b>	<b>1.7%</b>	<b>70</b>	<b>60</b>	<b>17.1%</b>
<b>New business</b>						
Single premiums	0	0		0	0	
Regular premiums	32	163	-80.6%	512	381	34.4%
New sales life insurance (APE)	32	163	-80.6%	512	381	34.4%
Value of new business				128	117	9.0%
<b>Key figures</b>						
Gross premium income	712	767	-7.2%	2,195	1,875	17.1%
Total administrative expenses	35	33	7.8%	69	65	5.3%
Cost/income ratio (Administrative expenses/Operating income)	27.5%	25.7%		18.8%	21.0%	
Net operating ROE <sup>10)23)</sup>	5.3%	3.7%		8.1%	7.5%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
Life general account invested assets	17	17	0.3%	17	15	10.1%
Total provisions for insurance & investment contracts	16	16	2.1%	16	14	16.2%
of which for risk policyholder	0	0	0.2%	0	0	0.8%
Allocated equity (end of period) <sup>6)10)</sup>	2,673	2,592	3.1%	2,673	2,265	18.0%
Employees (internal FTEs, end of period)	847	830	2.0%	847	839	1.0%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.5.1 Analysis of results: Japan Life – Excluding currency effects'

The operating result of Japan Life was EUR 33 million, up 15.5% from the second quarter of 2018, excluding currency effects, reflecting a higher technical margin and lower DAC amortisation and trail commissions, partly offset by lower fees and premium-based revenues.

Fees and premium-based revenues were EUR 124 million, down 9.3% from the second quarter of 2018, excluding currency effects, due to lower new business premiums reflecting the sales suspension of certain COLI products following notification of the Japanese National Tax Agency (NTA) regarding the revision of the regulations for the tax deductibility of those COLI products.

The technical margin was EUR 8 million, up from EUR -1 million in the second quarter of 2018, reflecting better mortality and surrender results in the second quarter of 2019 while the same quarter last year included unfavourable surrender results.

Administrative expenses were EUR 35 million, up 2.3% from the second quarter of 2018, excluding currency effects, reflecting higher IT costs in the current quarter.

DAC amortisation and trail commissions were EUR 60 million, down 15.2% from the second quarter of 2018, excluding currency effects, driven by lower premiums and lower surrenders.

The result before tax was EUR 22 million, up EUR 3 million from the second quarter of 2018, reflecting the higher operating result.

New sales (APE) were EUR 32 million, down 81.6% from the second quarter of 2018, excluding currency effects, due to the aforementioned sales suspension of certain COLI products.

In the first six months of 2019, the operating result of Japan Life was EUR 118 million, up 20.5% compared with the same period last year, excluding currency effects. The increase was primarily driven by the strong sales in the first quarter of 2019.

The result before tax for the first six months of 2019 was EUR 98 million, up 18.1% compared with the same period last year, at constant currencies, reflecting the higher operating result and lower non-operating items.

New sales (APE) for the first six months of 2019 were EUR 512 million, up 28.7% compared with the same period last year, at constant currencies, reflecting the higher sales in the first quarter 2019 driven by strong sales efforts and customer expectations of a revision of tax rules for COLI products.

The value of new business (VNB) for the first six months of 2019 increased to EUR 128 million, up 4.5% from the same period of 2018 excluding currency effects.

## Asset Management

- Total Assets under Management (AuM) increased to EUR 268 billion compared with EUR 260 billion at the end of the first quarter of 2019 primarily driven by positive market performance, partly offset by outflows of Third Party assets
- Operating result was EUR 40 million versus EUR 41 million in the second quarter of 2018 reflecting lower fees, partly compensated by a decrease of administrative expenses

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Investment income	2	0		1	0	
Fees	108	112	-3.8%	215	228	-5.9%
<b>Operating income</b>	<b>110</b>	<b>112</b>	<b>-2.1%</b>	<b>217</b>	<b>228</b>	<b>-5.0%</b>
<b>Administrative expenses</b>	<b>70</b>	<b>71</b>	<b>-1.8%</b>	<b>141</b>	<b>146</b>	<b>-3.7%</b>
<b>Operating result</b>	<b>40</b>	<b>41</b>	<b>-2.6%</b>	<b>76</b>	<b>82</b>	<b>-7.4%</b>
Non-operating items	0	0		0	0	
of which gains/losses and impairments	0	0		0	0	
of which revaluations	0	0		0	0	
of which market & other impacts	0	0		0	0	
Special items	-4	-11		-6	-16	
Result on divestments	0	0		0	0	
<b>Result before tax</b>	<b>36</b>	<b>30</b>	<b>18.4%</b>	<b>70</b>	<b>66</b>	<b>5.4%</b>
Taxation	9	7	25.8%	16	15	6.6%
Minority interests	0	0		0	0	
<b>Net result</b>	<b>27</b>	<b>23</b>	<b>16.1%</b>	<b>53</b>	<b>51</b>	<b>5.1%</b>
<b>Key figures</b>						
Total administrative expenses	70	71	-1.8%	141	146	-3.7%
Cost/income ratio (Administrative expenses/Operating income)	63.5%	63.3%		64.9%	64.0%	
Fees/average Assets under Management (bps)	16	19		17	19	
Net Operating ROE <sup>10)</sup>	34.0%	28.4%		32.3%	28.1%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
Assets under Management	268	260	2.8%	268	240	11.6%
Allocated equity (end of period) <sup>6)10)</sup>	340	356	-4.6%	340	427	-20.6%
Employees (internal FTEs, end of period)	942	983	-4.1%	942	1,066	-11.6%
<b>AuM roll-forward</b>						
<b>Beginning of period</b>	<b>260</b>	<b>246</b>	<b>5.7%</b>	<b>246</b>	<b>246</b>	<b>-0.1%</b>
Net inflow	-2	1		-2	-5	
Acquisition / Divestments / Transfers	0	0		0	-3	
Market performance (incl. FX impact) and other	10	13		23	1	
<b>End of period</b>	<b>268</b>	<b>260</b>	<b>2.8%</b>	<b>268</b>	<b>240</b>	<b>11.6%</b>

Total Assets under Management (AuM) at Asset Management increased to EUR 268 billion at the end of the second quarter of 2019 from EUR 260 billion at the end of the first quarter of 2019. The increase reflects EUR 9.6 billion positive market performance across all segments and asset classes, partly offset by net outflows of EUR 2.2 billion, of which EUR 2.4 billion in Third Party assets.

Operating result was EUR 40 million versus EUR 41 million in the second quarter of 2018 reflecting lower fees, partly compensated by a decrease of administrative expenses.

Fees were EUR 108 million, down from EUR 112 million in the second quarter of 2018. The decrease reflects a less favourable asset mix and fee pressure, partly offset by the higher average Third Party AuM.

Administrative expenses decreased to EUR 70 million from EUR 71 million in the second quarter of 2018, mainly driven by lower staff costs.

The result before tax increased to EUR 36 million compared with EUR 30 million in the second quarter of 2018 driven by lower special items partly offset by the lower operating result.

In the first six months of 2019, the operating result decreased to EUR 76 million from EUR 82 million in the same period of 2018, reflecting lower fees, partly offset by lower administrative expenses.

The result before tax for the first six months of 2019 was EUR 70 million, up from EUR 66 million for the same period of 2018, driven by lower special items, partly offset by the lower operating result.



## Banking

- Operating result decreased to EUR 30 million from EUR 36 million in the second quarter of 2018 mainly due to higher additions to the loan loss provisions and higher operating expenses supporting an increase in mortgage origination
- Common equity Tier 1 ratio of 16.0% at the end of the second quarter of 2019 versus 16.3% at the end of the first quarter of 2019

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Interest result	64	64	-1.4%	127	132	-3.8%
Commission income	9	9	-9.0%	17	17	0.7%
Total investment and other income	10	10	4.8%	20	20	-1.7%
<b>Operating income</b>	<b>82</b>	<b>84</b>	<b>-1.6%</b>	<b>164</b>	<b>169</b>	<b>-3.1%</b>
Operating expenses	46	44	5.8%	92	92	0.1%
Regulatory levies	5	6	-17.9%	10	10	-5.3%
Addition to loan loss provision	1	-2		2	-3	
<b>Total expenses</b>	<b>52</b>	<b>48</b>	<b>9.3%</b>	<b>104</b>	<b>100</b>	<b>3.6%</b>
<b>Operating result</b>	<b>30</b>	<b>36</b>	<b>-16.1%</b>	<b>60</b>	<b>69</b>	<b>-13.0%</b>
Non-operating items	-1	-12		-3	-10	
of which gains/losses and impairments	4	1		4	1	392.5%
of which revaluations	0	-3		0	-1	
of which market & other impacts	-5	-9		-7	-9	
Special items	-6	-4		-8	-8	
<b>Result before tax</b>	<b>23</b>	<b>20</b>	<b>13.6%</b>	<b>49</b>	<b>51</b>	<b>-4.9%</b>
Taxation	6	5	23.4%	13	13	4.7%
Minority interests	0	0		0	0	
<b>Net result</b>	<b>17</b>	<b>15</b>	<b>10.3%</b>	<b>35</b>	<b>38</b>	<b>-8.1%</b>
<b>Key figures</b>						
Total administrative expenses <sup>13)</sup>	51	50	2.9%	102	103	-0.5%
Cost/income ratio <sup>15)</sup>	56.4%	52.5%		56.4%	54.6%	
Net Interest Margin (NIM) <sup>7)</sup>	1.1%	1.4%		1.1%	1.4%	
Net operating ROE <sup>10)</sup>	11.7%	14.3%		11.6%	13.9%	

In EUR billion	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures</b>						
CET1 ratio <sup>4)</sup>	16.0%	16.3%		16.0%	16.2%	
Total capital ratio <sup>4)</sup>	17.5%	17.8%		17.5%	17.8%	
Risk Weighted Assets (RWA) <sup>4)</sup>	6	6	1.4%	6	5	3.3%
Savings & deposits	15	15	2.0%	15	15	1.9%
Mortgages	19	18	1.5%	19	18	4.8%
Total assets	23	22	3.9%	23	22	7.0%
Allocated equity (end of period) <sup>6)10)</sup>	757	792	-4.5%	757	762	-0.7%
Employees (internal FTEs, end of period)	842	831	1.3%	842	839	0.4%

The operating result decreased to EUR 30 million from EUR 36 million in the second quarter of 2018 mainly due to higher additions to the loan loss provisions and higher operating expenses supporting an increase in mortgage origination.

The interest result remained stable at EUR 64 million in the second quarter of 2019. The net interest margin (NIM), calculated on a four quarter rolling average, decreased to 1.1% compared with 1.4% in the second quarter of 2018, reflecting continued pressure on mortgage rates partly offset by lower funding costs.

Commission income remained stable at EUR 9 million and total investment and other income remained stable at EUR 10 million in the second quarter of 2019.

Operating expenses increased to EUR 46 million from EUR 44 million in the second quarter of 2018, mainly due to expenses supporting an increase in mortgage origination, as well as project expenses.

Additions to the loan loss provisions increased to EUR 1 million compared with a release of EUR 2 million in the second quarter of 2018.

The result before tax increased to EUR 23 million compared with EUR 20 million in the second quarter of 2018, mainly reflecting higher non-operating items, partly offset by the lower operating result and higher special items in the second quarter of 2019.

In the first six months of 2019, the operating result decreased to EUR 60 million from EUR 69 million in the same period of 2018, mainly due to a lower interest result reflecting continued pressure on the mortgage rates and higher additions to the loan loss provisions.

The result before tax for the first six months of 2019 decreased to EUR 49 million from EUR 51 million for the same period of 2018, mainly due to the lower operating result, partly offset by higher non-operating items.

## Other

- Operating result decreased to EUR -52 million from EUR -32 million in the second quarter of 2018, mainly due to the lower operating result of the reinsurance business
- Operating result of the reinsurance business decreased to EUR -14 million from EUR 7 million in the second quarter of 2018, reflecting disability claims and a large claim from a legacy reinsurance portfolio

In EUR million	2Q19	2Q18	Change	6M19	6M18	Change
<b>Analysis of results</b>						
Interest on hybrids and debt <sup>1,4)</sup>	-27	-27		-54	-54	
Investment income and fees	27	24	11.6%	51	47	9.5%
Holding expenses	-39	-36		-81	-71	
Amortisation of intangible assets	0	0		0	-1	
<b>Holding result</b>	<b>-39</b>	<b>-39</b>		<b>-83</b>	<b>-78</b>	
Operating result reinsurance business	-14	7		-5	-33	
Other results	0	1	-39.4%	0	1	-95.7%
<b>Operating result</b>	<b>-52</b>	<b>-32</b>		<b>-88</b>	<b>-110</b>	
Non-operating items	9	-8		1	8	-84.8%
of which gains/losses and impairments	5	3	49.6%	6	5	17.9%
of which revaluations	-3	-1		-3	-1	
of which market & other impacts	7	-11		-2	4	
Special items	-12	-23		-27	-49	
Acquisition intangibles and goodwill	-8	-33		-16	-66	
Result on divestments	0	0		4	4	-8.4%
<b>Result before tax</b>	<b>-63</b>	<b>-95</b>		<b>-126</b>	<b>-213</b>	
Taxation	-18	-20		-36	-51	
Minority interests	0	0		0	0	
<b>Net result</b>	<b>-45</b>	<b>-75</b>		<b>-90</b>	<b>-162</b>	
<b>Key figures</b>						
Total administrative expenses	40	38	6.8%	84	76	10.8%
of which reinsurance business	2	2	-15.6%	3	5	-28.9%
of which corporate/holding	39	36	8.0%	81	71	13.3%
Employees (internal FTEs, end of period)	1,669	1,661	0.5%	1,669	1,661	0.5%

In EUR million	2Q19	1Q19	Change	6M19	6M18	Change
<b>Key figures Japan Closed Block VA</b>						
Account value	1,885	2,116	-10.9%	1,885	3,466	-45.6%
Net Amount at Risk	92	88	4.9%	92	80	15.0%
Number of policies	22,721	27,242	-16.6%	22,721	54,587	-58.4%

The operating result of the segment Other decreased to EUR -52 million from EUR -32 million in the second quarter of 2018, mainly due to the lower operating result of the reinsurance business.

The holding result was stable at EUR -39 million reflecting higher investment income and fees offset by higher holding expenses.

The operating result of the reinsurance business decreased to EUR -14 million from EUR 7 million in the second quarter of 2018, reflecting claims related to Non-life's Disability portfolio and a large claim from a legacy reinsurance portfolio.

The result before tax of the segment Other improved to EUR -63 million from EUR -95 million in the second quarter of 2018. This reflects lower amortisation of acquisition intangibles, higher non-operating items and lower special items, partly offset by the lower operating result. The higher non-operating items include the result before tax of Japan Closed Block VA of EUR 1 million which was up from EUR -11 million in the second quarter of 2018.

In the first six months of 2019, the operating result of the segment Other was EUR -88 million versus EUR -110 million in the same period of 2018, driven by an improved operating result of the reinsurance business, partly offset by a lower holding result mainly reflecting the revised method for charging staff-related expenses to the segments.

The operating result of the reinsurance business improved to EUR -5 million in the first six months of 2019, from EUR -33 million in the same period of 2018, which included EUR 33 million of claims relating to the storm in January 2018 as well as a EUR 8 million claim from a legacy reinsurance portfolio. The current period reflects claims related to Non-life's Disability portfolio and a large claim from a legacy reinsurance portfolio.

The result before tax of the segment Other was EUR -126 million in the first six months of 2019 compared with EUR -213 million in the first six months of 2018 reflecting lower amortisation of acquisition intangibles, lower special items as well as the improved operating result.

## Consolidated Balance Sheet

- Total assets of NN Group increased by EUR 9.6 billion compared with the end of the first quarter of 2019 to EUR 246.1 billion, reflecting the impact of lower interest rates
- Shareholders' equity increased by EUR 3.7 billion to EUR 30.4 billion, reflecting increased revaluation reserves as a result of lower interest rates and the second-quarter net result

In EUR million	30 Jun 19	31 Mar 19	31 Dec 18		30 Jun 19	31 Mar 19	31 Dec 18
<b>Assets</b>				<b>Equity and liabilities</b>			
Cash and cash equivalents	11,131	10,418	8,886	Shareholders' equity (parent)	30,385	26,695	22,850
Financial assets at fair value through profit or loss				Minority interests	255	252	234
- investments for risk of policyholders	32,934	32,102	30,230	Undated subordinated notes	1,764	1,764	1,764
- non-trading derivatives	10,026	7,001	5,096	<b>Total equity</b>	<b>32,404</b>	<b>28,711</b>	<b>24,848</b>
- designated as at fair value through profit or loss	1,206	1,090	722	Subordinated debt	2,433	2,439	2,445
Available-for-sale investments	112,580	108,492	104,329	Debt securities issued	1,991	1,990	1,990
Loans	60,898	60,283	58,903	Other borrowed funds	6,605	6,125	5,717
Reinsurance contracts	1,024	1,056	1,010	Insurance and investment contracts	167,032	165,466	161,118
Associates and joint ventures	5,227	5,223	5,000	Customer deposits and other funds on deposit	15,047	14,901	14,729
Real estate investments	2,482	2,430	2,374	Financial liabilities at fair value through profit or loss			
Property and equipment	399	408	151	- non-trading derivatives	3,809	2,693	2,163
Intangible assets	1,016	1,026	863	Deferred tax liabilities	3,794	2,768	1,809
Deferred acquisition costs	1,960	1,961	1,843	Other liabilities	13,017	11,485	9,427
Deferred tax assets	100	126	131	<b>Total liabilities</b>	<b>213,728</b>	<b>207,867</b>	<b>199,398</b>
Other assets	5,149	4,962	4,708	<b>Total equity and liabilities</b>	<b>246,132</b>	<b>236,578</b>	<b>224,246</b>
<b>Total assets</b>	<b>246,132</b>	<b>236,578</b>	<b>224,246</b>				

## Assets

### Investments for the risk of policyholders

Investments for the risk of policyholders increased by EUR 0.8 billion to EUR 32.9 billion, mainly due to the lower interest rates in the quarter.

### Non-trading derivatives

Non-trading derivatives increased by EUR 3.0 billion in the second quarter of 2019 to EUR 10.0 billion, reflecting positive revaluations on derivatives used for hedging purposes.

### Available-for-sale investments

The increase of Available-for-sale investments of EUR 4.1 billion reflects the lower interest rates.

## Liabilities

### Insurance and investment contracts

Insurance and investment contracts increased to EUR 167.0 billion, reflecting the impact of the lower interest rates, leading to higher profit sharing for policyholders due to positive revaluations on Debt securities as well as an increase of Investments for the risk of policyholders.

## Equity

Shareholders' equity increased by EUR 3.7 billion to EUR 30.4 billion in the second quarter of 2019. The increase reflects net positive revaluations due to lower interest rates as well as the second-quarter net result, partly offset by the cash part of the 2018 final dividend and shares repurchased in the second quarter of 2019.

Changes in Shareholders' equity for the current quarter, the first six months of 2019 and the previous full year were as follows:

In EUR million	2Q19	6M19	FY18
<b>Shareholders' equity beginning of period</b>	<b>26,695</b>	22,850	22,718
Net result for the period	606	1,118	1,117
Unrealised revaluations available-for-sale investments and other	2,335	4,826	-316
Realised gains/losses transferred to the profit and loss account	-84	-84	-823
Change in cash flow hedge reserve	2,092	3,859	793
Deferred interest credited to policyholders	-881	-1,707	-38
Share of other comprehensive income of associates and joint ventures	-4	-5	1
Exchange rate differences	20	36	93
Remeasurement of the net defined benefit asset/liability	-16	-37	0
Dividend	-243	-243	-332
Purchase/sale treasury shares	-133	-168	-231
Employee stock option & share plans	-2	-1	2
Coupon on undated subordinated notes	0	-59	-58
Termination warrant agreement	0	0	-76
<b>Total changes</b>	<b>3,690</b>	7,535	132
<b>Shareholders' equity end of period</b>	<b>30,385</b>	30,385	22,850

The composition of Total equity at the end of the current quarter, at the end of the previous quarter and at the end of the previous year was as follows:

In EUR million	30 Jun 19	31 Mar 19	31 Dec 18
Share capital	41	40	41
Share premium	12,572	12,573	12,572
Revaluation reserve available-for-sale investments and other	6,704	5,376	3,684
Cash flow hedge reserve	8,373	6,281	4,514
Currency translation reserve	4	-27	-34
Net defined benefit asset/liability remeasurement reserve	-143	-127	-106
Retained earnings and other reserves	2,834	2,579	2,179
<b>Shareholders' equity (parent)</b>	<b>30,385</b>	26,695	22,850
Minority interests	255	252	234
Undated subordinated notes	1,764	1,764	1,764
<b>Total equity</b>	<b>32,404</b>	28,711	24,848

## Capital Management

- Solvency II ratio of 210% reflects movements in credit spreads and the deduction of the 2019 interim dividend, partly offset by operating capital generation
- Cash capital position at the holding increased to EUR 2,220 million
- Free cash flow to the holding in the second quarter of 2019 was EUR 546 million, mainly driven by EUR 558 million of dividends from subsidiaries in all segments
- 2019 interim dividend of EUR 0.76 per ordinary share or approximately EUR 252 million

## Solvency II

In EUR million	30 Jun 19	31 Mar 19	30 Jun 18
Basic Own Funds	18,409	17,815	18,305
Non-available Own Funds	1,164	1,095	1,412
Non-eligible Own Funds	0	0	74
<b>Eligible Own Funds (a)</b>	<b>17,245</b>	<b>16,720</b>	<b>16,819</b>
of which Tier 1 Unrestricted	10,984	10,258	10,375
of which Tier 1 Restricted	1,946	1,937	1,894
of which Tier 2	2,470	2,454	2,404
of which Tier 3	701	862	1,042
of which non-solvency II regulated entities	1,144	1,209	1,104
<b>Solvency Capital Requirements (b)</b>	<b>8,203</b>	<b>7,845</b>	<b>7,429</b>
of which non-solvency II regulated entities	551	519	483
<b>NN Group Solvency II ratio (a/b)<sup>2)</sup></b>	<b>210%</b>	<b>213%</b>	<b>226%</b>
<b>NN Life Solvency II ratio<sup>2)</sup></b>	<b>212%</b>	<b>217%</b>	<b>239%</b>

The NN Group Solvency II ratio decreased to 210% at the end of the second quarter of 2019 from 213% at the end of the first quarter of 2019. This was mainly driven by movements in credit spreads and the deduction of the 2019 interim dividend. These items were partly offset by operating capital generation.

The NN Life Solvency II ratio decreased to 212% at the end of the second quarter of 2019 from 217% at the end of the first quarter of 2019. The decrease was due to the aforementioned movements in credit spreads as well as a EUR 185 million dividend payment to the holding company. These items were partly offset by operating capital generation.

## Cash capital position at the holding company

In EUR million	2Q19	6M19
<b>Beginning of period</b>	<b>2,048</b>	<b>2,005</b>
Cash divestment proceeds	0	4
Dividends from subsidiaries <sup>16)</sup>	558	827
Capital injections into subsidiaries <sup>17)</sup>	-8	-9
Other <sup>18)</sup>	-4	-92
<b>Free cash flow to the holding<sup>19)</sup></b>	<b>546</b>	<b>729</b>
Acquisitions	0	-102
Capital flow from / (to) shareholders	-373	-412
Increase / (decrease) in debt and loans	0	0
<b>End of period</b>	<b>2,220</b>	<b>2,220</b>

Note: cash capital is defined as net current assets available at the holding company

The cash capital position at the holding company increased to EUR 2,220 million at the end of the second quarter of 2019 from EUR 2,048 million at the end of the first quarter of 2019. The increase was mainly driven by EUR 558 million of dividends from subsidiaries in all segments, partly offset by capital flows to shareholders of EUR 373 million representing the cash part of the 2018 final dividend of EUR 243 million and shares repurchased in the second quarter of 2019 for an amount of EUR 130 million. Other movements include holding company expenses, interest on loans and debt, and other holding company cash flows.

## Financial leverage

In EUR million	30 Jun 19	31 Mar 19	30 Jun 18
Shareholders' equity	30,385	26,695	23,568
Adjustment for revaluation reserves <sup>20)</sup>	-13,475	-10,102	-7,221
Minority interests	255	252	267
<b>Capital base for financial leverage (a)</b>	<b>17,165</b>	<b>16,845</b>	<b>16,614</b>
Undated subordinated notes <sup>21)</sup>	1,764	1,764	1,764
Subordinated debt	2,433	2,439	2,457
Total subordinated debt	4,197	4,203	4,221
Debt securities issued	1,991	1,990	1,989
<b>Financial leverage (b)</b>	<b>6,187</b>	<b>6,193</b>	<b>6,209</b>
Financial leverage ratio (b/(a+b))	26.5%	26.9%	27.2%
Fixed-cost coverage ratio <sup>21)22)</sup>	13.0x	13.8x	14.1x

The financial leverage ratio of NN Group improved to 26.5% at the end of the second quarter of 2019 compared with 26.9% at the end of the first quarter of 2019. This reflects an increase of the capital base for financial leverage driven by the second-quarter net result of EUR 606 million as well as positive equity revaluations, partly offset by capital flows to shareholders of EUR 373 million.

The fixed-cost coverage ratio was 13.0x at the end of the second quarter of 2019 versus 13.8x at the end of the first quarter of 2019 (on a last 12-months basis).

## Interim Dividend

NN Group will pay a 2019 interim dividend of EUR 0.76 per ordinary share, or approximately EUR 252 million in total, calculated as 40% of the 2018 full year dividend per ordinary share. The 2019 interim dividend will be paid either in cash, after deduction of withholding tax if applicable, or ordinary shares from the share premium reserve at the election of the shareholder. To neutralise the dilutive effect of the stock dividend, NN Group will repurchase ordinary shares for an amount equivalent to the stock dividend. The NN Group ordinary shares will be quoted ex-dividend on 19 August 2019. The record date for the dividend will be 20 August 2019. The election period will run from 21 August up to and including 4 September 2019. The stock fraction for the stock dividend will be based on the volume weighted average price of NN Group ordinary shares on Euronext Amsterdam for the five trading days from 29 August through 4 September 2019. The dividend will be payable on 11 September 2019. For more information: [www.nn-group.com/dividend](http://www.nn-group.com/dividend).

## Share buyback

On 14 February 2019, NN Group announced an open market share buyback programme for an amount of up to EUR 500 million over 12 months, commencing 1 March 2019.

As also announced on 14 February 2019, NN Group's shareholders were given the option to receive the final dividend for 2018 of EUR 1.24 per ordinary share either fully in cash or fully in ordinary shares. Following the election by shareholders, NN Group will neutralise the dilutive effect of the stock dividend through the repurchase of ordinary shares for a total amount of EUR 169 million, equivalent to the value of the stock dividend. This share buyback programme is expected to end no later than 31 December 2019.

Up to 9 August 2019, shares for a total amount of EUR 279 million were repurchased, representing 41.7% of the total share buyback amount under both programmes. NN Group reports on the progress of the share buyback programmes on its corporate website ([www.nn-group.com/investors](http://www.nn-group.com/investors)) on a weekly basis.



## Share capital

The total number of NN Group shares outstanding (net of 8,561,673 treasury shares) on 9 August 2019 was 331,455,257.

## Credit ratings

On 31 July 2019, Fitch published a report confirming NN Group's 'A+' financial strength rating and 'A' credit rating with a stable outlook.

On 24 June 2019, Standard & Poor's published a report confirming NN Group's 'A' financial strength rating and 'BBB+' credit rating with a stable outlook. On the same date, Standard & Poor's affirmed NN Life Japan's 'A-' financial strength rating with a stable outlook.

Credit ratings of NN Group on 14 August 2019

	Financial Strength Rating	NN Group N.V. Counterparty Credit Rating
Standard & Poor's	A Stable	BBB+ Stable
Fitch	A+ Stable	A Stable

## Footnotes reference page

- 1) Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the acquisition intangibles and goodwill, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- 2) The solvency ratios are not final until filed with the regulators. The Solvency II ratios for NN Group and NN Life are based on the partial internal model.
- 3) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 4) The Common Equity Tier 1 (CET1) ratio, Total Capital ratio and Risk Weighted Assets (RWA) are not final until filed with the regulators.
- 5) Excluding health business and broker business.
- 6) In EUR million.
- 7) Four-quarter rolling average.
- 8) Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 9) Net operating ROE is calculated as the (annualised) net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves, the undated subordinated notes classified as equity as well as the goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- 10) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the NN Group N.V. 2018 Consolidated Annual Accounts.
- 11) Including health business and broker business.
- 12) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 13) Operating expenses plus regulatory levies.
- 14) Does not include interest costs on subordinated debt treated as equity.
- 15) Cost/income ratio is calculated as Operating expenses divided by Operating income.
- 16) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 17) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 18) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 19) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, capital transactions with shareholders and debtholders.
- 20) Includes revaluations on debt securities, on the cash flow hedge reserve and on the reserves crediting to life policyholders.
- 21) Measures the ability of Earnings Before Interest and Tax (EBIT) to cover funding costs on financial leverage; calculated on a last 12-months basis.
- 22) The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio.
- 23) The net operating result and adjusted allocated equity used to calculate the Net operating ROE of Japan Life are adjusted for the impact of internal reinsurance ceded to NN Group's reinsurance business.

## NN Group profile

NN Group is an international financial services company, active in 18 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, investments and banking to approximately 17 million customers. NN Group includes Nationale-Nederlanden, NN, NN Investment Partners, ABN AMRO Insurance, Movir, AZL, BeFrank and OHRA. NN Group is listed on Euronext Amsterdam (NN).

## Analyst and investor call

Delfin Rueda (CFO) and Jan-Hendrik Erasmus (CRO) will host an analyst and investor conference call to discuss the 2Q19 results at 10:30 am CET on Thursday 15 August 2019. Members of the investment community can join the conference call at +31 20 531 5865 (NL), +44 203 365 3210 (UK), +1 866 349 6093 (US) or follow the webcast on [www.nn-group.com/investors](http://www.nn-group.com/investors).

## Press call

Delfin Rueda (CFO) and Jan-Hendrik Erasmus (CRO) will host a press call to discuss the 2Q19 results, which will be held at 07:45 am CET on Thursday 15 August 2019. Journalists can join the press call at +31 20 531 5863 (NL).

## Financial calendar

- Publication 3Q19 results: 14 November 2019
- Publication 4Q19 results: 13 February 2020

## Contact information

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### Press enquiries

Media Relations  
+31 70 513 1918  
[mediarelations@nn-group.com](mailto:mediarelations@nn-group.com)

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### Investor enquiries

Investor Relations  
+31 88 663 5464  
[investor.relations@nn-group.com](mailto:investor.relations@nn-group.com)

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## Additional information on [www.nn-group.com](http://www.nn-group.com)

- NN Group 2Q19 Financial Supplement, NN Group 2Q19 Analyst Presentation
- NN Group 30 June 2019 Condensed consolidated interim financial information
- Photos of NN Group executives, buildings and events are available for download at [Flickr](#)

## 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*). NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. Condensed consolidated interim financial information for the period ended 30 June 2019.

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.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.