

NN Group reports 3Q17 results

Strong performance of the combined group; Solvency II ratio at 204%

- Operating result ongoing business increased to EUR 431 million from EUR 319 million in 3Q16, driven by improved results at most segments, the contribution of Delta Lloyd of EUR 51 million and EUR 32 million non-recurring benefits in the segment Other, partly offset by lower results at Netherlands Non-life
- Net result of EUR 734 million versus EUR 436 million in 3Q16, reflecting the improved operating result and higher capital gains
- Ongoing expense reduction at Netherlands Life, Netherlands Non-life, Asset Management, the segment Other and Belgium, of EUR 86 million in the first nine months of 2017
- Solvency II ratio of NN Group increased to 204% from 196% at 2Q17, reflecting operating return and positive market impacts
- Holding company cash capital increased to EUR 1,789 million reflecting EUR 332 million of dividends received from subsidiaries

Statement of Lard Friese, CEO

'We are pleased to report another strong set of results for NN Group for the third quarter of 2017. This is the second quarter in which the results of Delta Lloyd have been included in our company's overall performance, after the acquisition of the company in April this year. Apart from the Non-life business, all our businesses performed well. Japan Life and Insurance Europe in particular reported a healthy increase in earnings and continue to achieve strong growth in sales.

At the same time, we continue to strive for efficiency, as reflected in further cost savings of EUR 64 million in the quarter. Our balance sheet remains robust, with a Solvency II ratio of 204% and cash capital position of EUR 1.8 billion. We will redeem EUR 575 million of senior notes which mature tomorrow. Together with the transaction we concluded with Fonds NutsOHRA in April, we will have reduced our financial leverage by approximately EUR 1 billion.

As a financial company with a significant economic footprint, we want to contribute to society; among other things by further integrating ethical, social and environmental components into our core strategy. As of September, NN Group is included in the Dow Jones Sustainability Indices, for both World and Europe. This means NN Group now ranks among the top 10% of the insurance industry group with regard to its sustainability performance.

The integration of the Delta Lloyd and NN operations in the Netherlands and Belgium is progressing well. In the Netherlands, we reached agreements with the trade unions and the Works Councils on the Reorganisation Framework and the guiding principles for integration, that facilitate further implementation of the integration plans. Another important step forward as a combined group was the start of the brand transformation from Delta Lloyd to NN. Furthermore, to optimally serve our customers, new product offers are being developed by the combined front offices. We also reached out to intermediaries on multiple occasions to personally share and explain the rationale and the benefits of the combined group. With the integration process well on its way, we will continue to shape the future strategy of the combined group, and we look forward to sharing the progress we are making on these fronts at our Capital Markets Day on 30 November.'

NN Group key figures

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Operating result ongoing business ¹⁾	431	319	35.1%	1,241	945	31.3%
Net result	734	436	68.5%	1,410	1,041	35.4%
Net operating ROE ¹⁾⁹⁾²²⁾	10.6%	8.1%		10.8%	8.4%	
	3Q17	2Q17	3Q16			
Solvency II ratio ²⁾	204%	196%	236%			

Note: All footnotes are included on page 27

Quarterly Business Update

NN Group's robust financial position provides a solid foundation for executing the company's strategy, which is to deliver an excellent customer experience based on transparent products and services and long-term relationships. NN Group aims to help people secure their financial futures, and is committed to delivering products and services that are easy to understand and that meet customers' lifetime needs.

Transparent products and services

This quarter, two new innovative home insurance products were launched. Nationale-Nederlanden Spain launched 'Mihogar Seguro'. This is a flexible product offering modular coverage including the repair of electrical appliances, services related to travel assistance and services related to pets (for example telephone counselling or access to veterinary centres). In total, more than 60% of these policies sold include such additional coverage. The Non-life business in the Netherlands launched a flexible home insurance product, in which the customer can choose specific insurance coverage in a more granular way to fit their personal needs.

Since the third quarter, NN Bank in the Netherlands has been offering mortgage solutions for the self-employed. These mortgages are available for entrepreneurs who have been self-employed for over a year and less than three years.

In September, the liability insurance products of OHRA and ABN AMRO Insurance, as well as the legal insurance products of Nationale-Nederlanden and ABN AMRO Insurance were awarded a five-star rating by MoneyView, which collects information about financial products and makes them transparent and comparable.

Capturing growth

NN's leading position in the area of Defined Contribution (DC) in the Dutch pension market was further strengthened by contract renewals in a broad range of sectors, and new sales in the SME and Corporate markets, an example is SGS, a multinational with over 90,000 employees worldwide, which chose NN's insured DC-product. The general pension fund 'De Nationale APF' signed contracts with two new clients, Unisys and AFM, resulting in a total of approximately EUR 1 billion in assets under management as of January 2018.

The banking business – NN Bank and Delta Lloyd Bank – continued to grow their mortgage business in the third quarter adding EUR 0.4 billion to reach a combined mortgage portfolio of EUR 17.8 billion. To address its ongoing funding needs and to further diversify its sources of funding, NN Bank successfully issued a EUR 500 million conditional pass-through covered bond in October under its covered bond programme. The bonds were placed with a broad range of institutional investors and will help NN Bank to further grow its business.

In the third quarter of 2017, the sale of protection products at Insurance Europe grew by 47.9% across the region compared with the same quarter in 2016.

In Turkey, a new law came into effect on 1 January 2017, under which all employees under the age of 45 will be enrolled in a new compulsory pension scheme, managed by a pension company to be selected by their employers. NN Hayat ve Emeklilik successfully introduced a pension product to meet this new demand, capturing around 7% market share. To support the product's introduction, an online peer-to-peer referral model was developed by our innovation lab 'Sparklab' in Turkey to acquire new pension customers through third parties such as accountants, HR companies and payroll companies.

Multi-access distribution

Nationale-Nederlanden in the Netherlands took further steps in the omni-channel approach. Online chat and co-browse technology has been implemented in our digital environment, creating ease of use for our customers and intermediaries.

NN Group serves its customers through multiple channels, comprising tied agents, bancassurance partners, brokers and direct channels. Bancassurance COLI sales for Japan Life increased by 30% at constant currencies, compared with the third quarter of 2016, despite increasing competition. Higher bank activation and the expansion of the bank distribution network to 73 partners as of the end of September 2017, compared with 61 partners a year earlier, were key drivers for the increase in sales. Furthermore, Sumitomo Life started offering NN Life Japan's COLI products from the beginning of April 2017, contributing more than 10% of Japan Life's total sales this quarter.

NN Hellas in Greece renewed its bancassurance agreement with Piraeus Bank for the coming 10 years, with the possibility of a further five-year extension. Piraeus Bank, the leading bank in Greece, will continue to offer NN Hellas' life and health products to its customers.

In September 2017 Nationale-Nederlanden Poland introduced a new Payment Protection Insurance product specifically geared to both retail and entrepreneur customers of ING Bank Śląski. The product offered to retail customers consists of both life and non-life insurance. The product for small businesses, 'Safe business', provides loan payment protection in the event that the owner is incapacitated for work.

In November NN Hayat ve Emeklilik in Turkey entered into a strategic partnership with Hesapkurdu.com, the leading online loan aggregator for mortgages and consumer loans in the Turkish market.

Effective and efficient operations

NN Group is committed to making its processes as efficient and effective as possible. The Dutch life business has started an automation project, called 'Robo for Life'. Currently, seven robotic systems have been implemented in four different streams; Pay-outs, Start Pension & Decease, Divorce and Value Transfer. This has resulted in a decrease in operational costs and an improvement in customer service levels.

NN in Belgium launched Medic@Home, a medical acceptance process for mortgage-linked Term Life insurance, which allows customers to complete the medical questionnaire entirely online, on any device (laptop, smartphone, tablet), guaranteeing a smooth service. So far, more than 80% of customers have chosen to file their medical acceptance online, using the NN Portal. NN is analysing how Medic@Home can be further rolled out for other life protection products with banking partners and in the broker channel in other markets.

In Hungary NN introduced the 'Green Lane' project which automates and digitises the underwriting and issuance of insurance policies. This includes real-time straight-through processing and enables multichannel access for customers. This is a significant step forward from the current 11 day issuance process, saves costs and allows quicker payment of commissions.

Innovation

NN International Insurance has developed a tool to support sales agents in their daily activities, the Smart Agent Mobile App, which is currently being piloted in Greece. The app supports agents by providing them with up-to-date information on customers and prospects, an overview of open tasks, and their personal performance. The app is integrated with NN systems and phone functionalities allowing agents to easily connect with customers and prospects and to deliver better customer experience.

The Non-life business in the Netherlands recently introduced a new car insurance: 'Roxo', developed together with Independer, a Dutch comparison site for financial products, and which uses machine learning to calculate risk premiums.

Other

ESG & Sustainability remains an area of focus for NN Investment Partners (NN IP) and has been performing well across the different asset classes. NNIP's Sustainable & Impact Equity funds, the Green Bonds & Sustainable Credit offering as well as the Sustainable Multi-Asset solutions have seen overall positive net flows.

Furthermore, NNIP recently developed an innovative approach for assessing the Sustainable Development Goals (SDGs) exposure of companies and for investing according to the SDGs. The United Nations SDGs offer a solid path to value creation for society and shareholders: investing in a better world while achieving healthy financial returns. This new approach helps NNIP and its clients contribute to this as well.

Consolidated results

Consolidated profit and loss account and key figures NN Group

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results¹⁾						
Netherlands Life	215	178	21.0%	726	547	32.7%
Netherlands Non-life	1	21	-96.4%	5	49	-90.4%
Insurance Europe	77	52	47.5%	192	138	39.1%
Japan Life	52	40	29.4%	175	130	34.0%
Asset Management	45	38	18.5%	115	100	15.5%
Other	41	-11		29	-20	
Operating result ongoing business	431	319	35.1%	1,241	945	31.3%
Non-operating items ongoing business	541	251	115.3%	920	526	75.0%
of which gains/losses and impairments	433	188	129.5%	709	306	131.9%
of which revaluations	89	58	53.5%	174	161	8.6%
of which market & other impacts	20	5	294.0%	37	59	-38.0%
Japan Closed Block VA	3	-13		-6	-110	
Special items before tax	-45	-10		-132	-56	
Amortisation of acquisition intangibles	-33	0		-66	0	
Result on divestments	0	0		-178	0	
Result before tax	898	547	64.1%	1,780	1,305	36.4%
Taxation	159	111	43.4%	360	263	36.7%
Minority interests	4	0		10	1	
Net result	734	436	68.5%	1,410	1,041	35.4%
Basic earnings per ordinary share in EUR ³⁾	2.14	1.31		4.16	3.12	
Key figures ongoing business¹⁾						
Gross premium income	2,926	2,123	37.8%	9,268	7,421	24.9%
New sales life insurance (APE)	394	326	21.1%	1,414	1,088	30.0%
Total administrative expenses	553	422	31.0%	1,562	1,272	22.7%
Cost/income ratio (Administrative expenses/Operating income)	31.5%	33.4%		31.4%	33.3%	
Combined ratio (Netherlands Non-life) ⁴⁾⁵⁾	102.5%	97.9%		102.9%	99.4%	
Investment margin/Life general account invested assets (bps) ⁷⁾	68	90				
Net operating result ⁸⁾	315	239	22.9%	935	727	25.8%
Net operating ROE ⁹⁾²²⁾	10.6%	8.1%		10.8%	8.4%	
In EUR billion						
Key figures ongoing business						
Asset Management Assets under Management	244	245	-0.5%	244	199	22.5%
Life general account invested assets	135	136	-0.2%	135	89	52.8%
Total provisions for insurance & investment contracts	158	159	-0.6%	158	110	44.2%
of which for risk policyholder	28	29	-2.3%	28	23	22.2%
NN Life Solvency II ratio ²⁾	218%	220%		218%	211%	
Delta Lloyd Life Solvency II ratio ²⁾	149%	139%		149%		
Key figures Japan Closed Block VA						
Account value ⁶⁾	5,384	6,546	-17.8%	5,384	8,699	-38.1%
Number of policies	97,847	122,394	-20.1%	97,847	163,450	-40.1%
Key figures total NN Group						
Solvency II ratio ²⁾	204%	196%		204%	236%	
Total assets ²²⁾	230	232	-1.0%	230	178	29.3%
Shareholders' equity ⁶⁾²²⁾	22,009	21,824	0.8%	22,009	25,459	-13.6%
Employees (internal FTEs, end of period)	14,732	15,000	-1.8%	14,732	11,533	27.7%

Note: All footnotes are included on page 27

- NN Group's operating result of the ongoing business increased to EUR 431 million from EUR 319 million in the third quarter of 2016, driven by higher results at most segments, the contribution of the Delta Lloyd businesses of EUR 51 million and a total of EUR 32 million non-recurring benefits in the segment Other, partly offset by lower results at Netherlands Non-life
- The result before tax increased to EUR 898 million from EUR 547 million in the third quarter of 2016, reflecting higher non-operating items and the higher operating result, partly offset by higher special items and the amortisation of acquisition intangibles
- New sales (APE) were up 32.8% from the third quarter of 2016 on a constant currency basis to EUR 394 million, driven by higher sales in Netherlands Life, Insurance Europe and Japan Life

Operating result

The operating result of the ongoing business increased to EUR 431 million from EUR 319 million in the third quarter of 2016. The increase was driven by higher results at most segments, the contribution of the Delta Lloyd businesses of EUR 51 million and a total of EUR 32 million non-recurring benefits in the segment Other. These items were partly offset by an unfavourable claims experience in the D&A business at Netherlands Non-life.

NN Group continues to focus on realising ongoing efficiencies and cost synergies from the acquisition of Delta Lloyd. The administrative expenses of the business units in the scope of the integration - Netherlands Life, Netherlands Non-life, Asset Management, the segment Other and Belgium - decreased by EUR 64 million in the third quarter of 2017. At the end of the third quarter of 2017, the administrative expense base amounted to EUR 1,938 million on a last 12-months basis, down EUR 86 million from EUR 2,024 million for the full year 2016.

The operating result of Netherlands Life increased to EUR 215 million from EUR 178 million in the third quarter of 2016 mainly driven by the inclusion of Delta Lloyd, a higher technical margin and lower administrative expenses, partly offset by lower fees and premium-based revenues. The current quarter includes a contribution of Delta Lloyd of EUR 29 million.

The operating result of Netherlands Non-life decreased to EUR 1 million from EUR 21 million in the third quarter of 2016, reflecting an unfavourable claims experience in Individual disability and an operating result for Delta Lloyd of EUR -6 million. The combined ratio was 102.5% in the third quarter of 2017 versus 97.9% in the same quarter last year.

The operating result of Insurance Europe increased to EUR 77 million from EUR 52 million in the third quarter of 2016, reflecting higher fees and premium-based revenues, partly offset by higher administrative expenses. The current quarter included a contribution of Delta Lloyd Belgium of EUR 7 million and EUR 5 million of non-recurring benefits.

The operating result of Japan Life was EUR 52 million, up 47.7% from the third quarter of 2016, excluding currency effects, reflecting higher fees and premium-based revenues and an improvement in the technical margin and investment margin, partially offset by higher expenses.

The operating result of Asset Management increased to EUR 45 million from EUR 38 million in the third quarter of 2016, driven by higher fees, partly offset by higher expenses. The contribution of Delta Lloyd was EUR 5 million.

The operating result of the segment Other was EUR 41 million versus EUR -11 million in the third quarter of 2016. The current quarter result was supported by a total of EUR 32 million non-recurring benefits at the reinsurance business and a provision release related to a legacy entity (NNOFIC), as well as a higher operating result at the banking business, partly offset by a lower holding result.

In the first nine months of 2017, the operating result of the ongoing business increased to EUR 1,241 million from EUR 945 million in the same period last year, mainly driven by improved results at most segments and the contribution of the Delta Lloyd businesses for a total amount of EUR 101 million, partly offset by lower results at Netherlands Non-life. The operating result of the ongoing business for the first nine months of 2017 benefited from a total of EUR 90 million of private equity dividends and non-recurring items.

Result before tax

The result before tax for the third quarter of 2017 increased to EUR 898 million from EUR 547 million in the third quarter of 2016 mainly reflecting higher non-operating items and the higher operating result, partly offset by higher special items and the amortisation of acquisition intangibles.

Gains/losses and impairments were EUR 433 million compared with EUR 188 million in the third quarter of 2016. The current quarter mainly reflects capital gains on the sale of government bonds.

Revaluations were EUR 89 million compared with EUR 58 million in the third quarter of 2016. The current quarter reflects EUR 73 million of positive revaluations on real estate and EUR 10 million of positive revaluations of derivatives.

Market and other impacts were EUR 20 million versus EUR 5 million in the third quarter of 2016. The current quarter reflects the movement in the provisions for unit-linked guarantees and separate account pension contracts (both net of hedging) at Netherlands Life.

The result before tax of Japan Closed Block VA was EUR 3 million versus EUR -13 million in the third quarter of 2016, which included negative hedge-related results due to higher market volatility.

Special items amounted to EUR -45 million compared with EUR -10 million in the third quarter of 2016. The special items in the current quarter mainly reflect expenses related to the integration of Delta Lloyd as well as ongoing restructuring expenses.

Amortisation of acquisition intangibles amounted to EUR 33 million in the third quarter of 2017.

In the first nine months of 2017, the result before tax increased to EUR 1,780 million from EUR 1,305 million in the same period last year, reflecting higher non-operating items, the higher operating result of the ongoing business and improved results at Japan Closed Block VA. These items were partly offset by a provision related to ING Australia Holdings, higher special items and the amortisation of acquisition intangibles.

Net result

The third-quarter net result increased to EUR 734 million from EUR 436 million in the third quarter of 2016. The effective tax rate in the third quarter of 2017 was 17.7%, reflecting tax-exempt dividends and capital gains in the Netherlands related to shareholdings of 5% or more.

Sales

Total new sales (APE) at NN Group increased to EUR 394 million, up 32.8% from the third quarter of 2016 at constant currencies. APE at Netherlands Life increased to EUR 50 million versus EUR 16 million in the same quarter last year, driven by higher renewals of group pension contracts, higher sales of immediate annuities and the contribution of Delta Lloyd. At Insurance Europe, new sales were up 44.0% reflecting higher life sales across the region and the contribution of sales by Delta Lloyd Belgium. New sales at Japan Life were up 11.3%, mainly driven by higher sales of new COLI products launched in 2017 and sales through the Sumitomo partnership which started in April 2017.

In the first nine months of 2017, total new sales were up 33.6% on a constant currency basis to EUR 1,414 million, driven by higher sales in Netherlands Life, Insurance Europe and Japan Life.

Net operating Return On Equity (ROE)

The net operating ROE of the ongoing business of NN Group increased to 10.6% compared with 8.1% in the third quarter of 2016 and in the first nine months of 2017 the net operating ROE increased to 10.8% from 8.4% in the same period in 2016, driven by the higher net operating result.

Other events

NN Group sells preference share Unilever

On 2 November 2017, NN Group completed the sale of its 6% and 7% cumulative preference shares in Unilever N.V. (Preference Shares) to Unilever PLC as part of a public offer. The Preference Shares held by NN Group represented a total value of approximately EUR 295 million and 11.4% of the voting rights in Unilever N.V. The fair value of the Preference Shares is reflected in the IFRS and Solvency II balance sheet of NN Group at 30 September 2017. An IFRS capital gain for a total amount of approximately EUR 250 million will be reported in the segments Netherlands Life and Netherlands Non-life in the fourth quarter of 2017.



Sale of NN Life Luxembourg

On 31 October 2017, NN Group completed the sale of NN Life Luxembourg to Bankers Insurance Holdings S.A., part of the family of independent insurance companies supported by Global Bankers Insurance Group. The transaction, which was announced on 6 April 2017, will not have a material impact on the capital position and operating result of NN Group.

Unit-linked products in the Netherlands

On 19 July 2017, the District Court in Rotterdam rejected all claims of 'Vereniging Woekerpolis.nl' in a collective action against NN and ruled that NN has generally provided sufficient information on costs and premiums. 'Vereniging Woekerpolis.nl' has lodged an appeal with the Court of Appeal in The Hague against the ruling of the District Court in Rotterdam.

Netherlands Life

- Operating result increased to EUR 215 million versus EUR 178 million in the third quarter of 2016, mainly driven by the inclusion of Delta Lloyd, a higher technical margin, and lower administrative expenses, partly offset by lower fees and premium-based revenues
- Result before tax increased to EUR 745 million from EUR 358 million in the third quarter of 2016 driven by the higher operating result and higher capital gains

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Investment margin	179	178	0.3%	631	578	9.1%
Fees and premium-based revenues	103	78	31.8%	319	254	25.4%
Technical margin	77	30	153.7%	174	60	189.8%
Operating income non-modelled business	0	0		0	0	
Operating income	358	286	25.1%	1,124	893	25.9%
Administrative expenses	133	100	33.1%	366	316	16.0%
DAC amortisation and trail commissions	10	9	15.9%	32	30	6.3%
Expenses	143	108	31.7%	398	346	15.2%
Operating result	215	178	21.0%	726	547	32.7%
Non-operating items	538	181	196.9%	821	438	87.5%
of which gains/losses and impairments	439	112	290.3%	630	209	201.5%
of which revaluations	77	58	33.0%	153	161	-5.0%
of which market & other impacts	22	11	103.2%	39	68	-43.1%
Special items before tax	-8	-1		-30	-3	
Result on divestments	0	0		0	0	
Result before tax	745	358	108.1%	1,517	982	54.5%
Taxation	129	64	100.3%	268	184	45.7%
Minority interests	2	0		6	1	
Net result	614	294	109.2%	1,243	797	55.9%
New business						
Single premiums	120	66	80.3%	315	233	35.2%
Regular premiums	38	9	304.9%	306	189	62.1%
New sales life insurance (APE)	50	16	211.5%	337	212	59.2%
Key figures						
Gross premium income	731	377	94.2%	2,373	1,795	32.2%
Total administrative expenses	133	100	33.1%	366	316	16.0%
Cost/income ratio (Administrative expenses/Operating income)	37.1%	34.8%		32.6%	35.4%	
Investment margin/Life general account invested assets (bps) ⁷⁾	80	114				
Net operating ROE ¹⁰⁾	7.8%	7.7%		9.9%	8.4%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Life general account invested assets	102	102	-0.1%	102	64	58.4%
Total provisions for insurance & investment contracts	114	115	-0.6%	114	75	52.8%
of which for risk policyholder	21	22	-3.8%	21	15	39.3%
Allocated equity (end of period) ⁶⁾¹⁰⁾	15,467	15,298	1.1%	15,467	18,148	-14.8%
NN Life Solvency II ratio ²⁾	218%	220%		218%	211%	
Delta Lloyd Life Solvency II ratio ²⁾	149%	139%		149%		
Employees (internal FTEs, end of period)	2,642	2,664	-0.8%	2,642	2,097	26.0%

The operating result of Netherlands Life increased to EUR 215 million from EUR 178 million in the third quarter of 2016 mainly driven by the inclusion of Delta Lloyd, a higher technical margin, and lower administrative expenses, partly offset by lower fees and premium-based revenues. The current quarter includes a contribution of Delta Lloyd of EUR 29 million.

The investment margin was broadly stable at EUR 179 million compared with the third quarter of 2016, which included a private equity dividend of EUR 13 million. The current quarter reflects private equity dividends of EUR 7 million as well as the inclusion of Delta Lloyd. The investment spread, calculated on a four-quarter rolling average, decreased to 80 basis points from 114 basis points in the third quarter of 2016. The decrease reflects the inclusion of the Delta Lloyd invested assets and insurance liabilities at market yields, which have been remeasured to fair value as at 1 April 2017 as well as lower private equity dividends.

Fees and premium-based revenues increased to EUR 103 million from EUR 78 million in the third quarter of 2016 mainly due to the inclusion of Delta Lloyd, partly offset by the run-off of the individual life closed book as well as lower margins in the pension business.

The technical margin increased to EUR 77 million from EUR 30 million in the third quarter of 2016, mainly driven by the inclusion of Delta Lloyd. The current quarter includes EUR 12 million non-recurring benefits and favourable experience variances related to mortality results. The third quarter last year was impacted by a EUR 8 million addition to the unit-linked guarantee provision. As of the second quarter of 2017, changes in the unit-linked guarantee provision are reported as market & other impacts (non-operating items).

Administrative expenses increased to EUR 133 million from EUR 100 million in the third quarter of 2016. The increase reflects the inclusion of Delta Lloyd, offset by lower staff and IT-related expenses.

DAC amortisation and trail commissions were EUR 10 million versus EUR 9 million in the third quarter of 2016, reflecting the inclusion of Delta Lloyd, partly offset by the run-off of the individual life closed book.

The result before tax increased to EUR 745 million from EUR 358 million in the third quarter of 2016. Gains/losses and impairments increased to EUR 439 million from EUR 112 million in the same period last year. The current quarter mainly reflects capital gains realised on the sale of Dutch, German and French government bonds upon maturity of credit spread locks that were executed in the first six months of 2017. Revaluations were EUR 77 million compared with EUR 58 million in the third quarter of 2016. Higher revaluations on real estate and derivatives were partly offset by lower revaluations on private equity. Market and other impacts were EUR 22 million reflecting movements in the provisions for guarantees on unit-linked and separate account pension contracts (net of hedging).

New sales (APE) increased to EUR 50 million from EUR 16 million in the third quarter of 2016 driven by the Delta Lloyd contribution, as well as higher renewals of group pension contracts and higher sales of immediate annuities.

In the first nine months of 2017, Netherlands Life's operating result increased to EUR 726 million from EUR 547 million in the same period last year. The increase reflects a EUR 85 million contribution of Delta Lloyd, a higher investment margin and a higher technical margin. The investment margin in the first nine months of 2017 includes private equity dividends and a dividend from an indirect stake in ING Life Korea for a total amount of EUR 62 million, whereas the same period last year included private equity dividends for a total amount of EUR 72 million. The technical margin of the NN portfolio in the first nine months of 2017 was supported by a total of EUR 18 million non-recurring benefits and favourable experience variances, whereas the same period last year was adversely impacted by an addition to the unit linked guarantee provision. The increase also reflects lower staff and IT-related expenses. These items were partly offset by declining fees and premium-based revenues reflecting the run-off of the individual life closed book as well as lower margins in the pension business.

The result before tax increased to EUR 1,517 million in the first nine months of 2017 compared with EUR 982 million in the same period last year, reflecting the higher operating result, higher gains on government bonds and equity, as well as higher revaluations of real estate investments. This was partly offset by lower revaluations on derivatives and private equity, as well as less positive market and other impacts, reflecting movements in the provisions for unit-linked guarantees and separate account pension contracts.

New sales (APE) increased to EUR 337 million in the first nine months of 2017 from EUR 212 million in the same period last year, mainly driven by the inclusion of Delta Lloyd and higher sales of defined contribution pension contracts.

Netherlands Non-life

- Operating result decreased to EUR 1 million from EUR 21 million in the third quarter of 2016 reflecting an unfavourable claims experience in the Individual disability portfolio and an operating result for Delta Lloyd of EUR -6 million
- Combined ratio was 102.5% versus 97.9% in the third quarter of 2016

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Earned premiums	686	383	78.9%	1,785	1,154	54.7%
Investment income	24	27	-11.3%	84	84	0.5%
Other income	1	0	390.6%	2	1	372.5%
Operating income	711	411	73.1%	1,871	1,238	51.2%
Claims incurred, net of reinsurance	530	276	92.1%	1,378	849	62.4%
Acquisition costs	103	60	69.8%	273	181	50.5%
Administrative expenses	86	54	59.0%	232	162	43.7%
Acquisition costs and administrative expenses	188	114	64.7%	505	343	47.3%
Expenditure	718	390	84.1%	1,884	1,192	58.0%
Operating result insurance businesses	-7	21	-134.1%	-12	46	-126.1%
Operating result health business and broker businesses	8	0		17	3	407.1%
Total operating result	1	21	-96.4%	5	49	-90.4%
Non-operating items	4	7	-36.2%	20	37	-46.8%
of which gains/losses and impairments	1	1	-12.1%	5	24	-79.0%
of which revaluations	4	6	-39.4%	15	13	10.5%
of which market & other impacts	0	0		0	0	
Special items before tax	-3	0		-5	-12	
Result on divestments	0	0		0	0	
Result before tax	2	27	-91.9%	20	75	-73.6%
Taxation	-3	4	-158.5%	0	14	-103.1%
Minority interests	2	0		4	0	
Net result	3	23	-88.1%	16	61	-74.1%
Key figures						
Gross premium income	585	282	107.6%	2,026	1,334	51.9%
Total administrative expenses ¹¹⁾	104	69	50.2%	280	208	34.4%
Combined ratio ⁴⁾⁵⁾	102.5%	97.9%		102.9%	99.4%	
of which Claims ratio ⁴⁾⁵⁾	75.0%	68.1%		74.6%	69.6%	
of which Expense ratio ⁵⁾	27.4%	29.8%		28.3%	29.7%	
Net operating ROE ¹⁰⁾	0.0%	18.4%		0.4%	14.5%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Total insurance provisions	6	6	-1.2%	6	3	67.4%
Allocated equity (end of period) ⁶⁾¹⁰⁾	1,001	1,029	-2.8%	1,001	733	36.5%
Employees (internal FTEs, end of period)	2,720	2,684	1.3%	2,720	1,619	68.0%

The operating result of Netherlands Non-life decreased to EUR 1 million from EUR 21 million in the third quarter of 2016, reflecting an unfavourable claims experience in Individual disability and an operating result for Delta Lloyd of EUR -6 million. The combined ratio was 102.5% in the third quarter of 2017 versus 97.9% in the same quarter last year.

The operating result in Disability & Accident (D&A) decreased to EUR -12 million from EUR 25 million in the third quarter of 2016. The results for the third quarter of 2017 reflect unfavourable claims experience in the Individual disability portfolios of both NN and Delta Lloyd. The D&A combined ratio was 105.8% compared with 88.4% in the third quarter of 2016.

The operating result in Property & Casualty (P&C) improved to EUR 5 million from EUR -5 million in the third quarter of 2016, which included a EUR -3 million additional impact from the severe storms in the second quarter of 2016. The improvement also reflects better underwriting performance in the Motor and Miscellaneous portfolios, partially offset by large claims in the Delta Lloyd Fire portfolio. The P&C combined ratio was 100.8% compared with 106.0% in the third quarter of 2016.

Administrative expenses increased to EUR 86 million from EUR 54 million in the third quarter of 2016, mainly reflecting the inclusion of Delta Lloyd offset by lower project and IT related expenses.

The operating result of the broker business increased to EUR 8 million from EUR 0 million in the third quarter of 2016, reflecting the broker results of Delta Lloyd related to health insurance products.

The result before tax decreased to EUR 2 million from EUR 27 million in the third quarter of 2016, mainly due to the lower operating result.

The operating result of Netherlands Non-life decreased from EUR 49 million in the first nine months of 2016 to EUR 5 million in the first nine months of 2017, of which EUR -12 million related to Delta Lloyd. The decrease in the operating result is mainly attributable to the unfavourable claims experience in the Individual disability portfolio and the Delta Lloyd Fire portfolio, partially offset by improved underwriting performance of the NN Fire portfolio. The first nine months of 2017 included the impact of the strengthening of insurance liabilities in the Motor and Miscellaneous portfolios of EUR 40 million, while the first nine months of 2016 included the impact of the severe storms.

The result before tax decreased to EUR 20 million from EUR 75 million in the first nine months of 2016, mainly due to the lower operating result as well as lower gains on debt securities.

The combined ratio for the first nine months of 2017 was 102.9% compared with 99.4% in the same period of 2016.

Insurance Europe

- Operating result increased to EUR 77 million from EUR 52 million in the third quarter of 2016, reflecting higher fees and premium-based revenues, partly offset by higher administrative expenses
- New sales (APE) up 44.0% from the third quarter of 2016 at constant currencies to EUR 141 million, reflecting higher life sales across the region and the contribution of Delta Lloyd Belgium

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Investment margin	23	16	50.7%	62	49	25.0%
Fees and premium-based revenues	181	136	33.1%	503	407	23.6%
Technical margin	50	50	-0.4%	143	143	0.3%
Operating income non-modelled business	1	1	-2.3%	2	2	-0.1%
Operating income Life Insurance	255	202	26.0%	710	601	18.1%
Administrative expenses	97	77	26.9%	278	233	19.2%
DAC amortisation and trail commissions	81	75	7.9%	240	232	3.3%
Expenses Life Insurance	178	152	17.5%	518	466	11.3%
Operating result Life Insurance	76	50	52.0%	192	136	41.5%
Operating result Non-life	0	2	-77.9%	0	2	-97.7%
Operating result	77	52	47.5%	192	138	39.1%
Non-operating items	-9	67	-113.7%	42	60	-30.8%
of which gains/losses and impairments	-12	71	-117.0%	28	66	-56.9%
of which revaluations	5	1	321.0%	15	3	424.8%
of which market & other impacts	-2	-6		-2	-9	
Special items before tax	-3	-6		-11	-28	
Result on divestments	0	0		0	0	
Result before tax	64	113	-43.3%	222	170	30.9%
Taxation	18	23	-21.1%	44	37	16.8%
Minority interests	0	0		0	0	
Net result	46	90	-48.9%	179	133	34.9%
New business						
Single premiums	269	207	30.0%	918	686	33.7%
Regular premiums	114	80	42.4%	394	295	33.6%
New sales life insurance (APE)	141	101	39.9%	486	364	33.6%
Key figures						
Gross premium income	699	554	26.3%	2,072	1,720	20.5%
Total administrative expenses (Life & Non-life)	100	80	25.3%	286	243	18.0%
Cost/income ratio (Administrative expenses/Operating income)	38.2%	35.9%		39.3%	36.7%	
Investment margin/Life general account invested assets (bps) ⁷⁾	50	70				
Net operating ROE ¹⁰⁾²²⁾	11.4%	13.1%		9.9%	10.7%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Life general account invested assets	19	19	-0.7%	19	10	94.6%
Total provisions for insurance & investment contracts	26	26	-0.4%	26	18	39.8%
of which for risk policyholder	7	7	2.5%	7	8	-11.0%
Assets under management pensions ¹²⁾	19	18	2.0%	19	16	20.2%
Allocated equity (end of period) ⁶⁾¹⁰⁾²²⁾	2,500	2,464	1.5%	2,500	1,930	29.5%
Employees (internal FTEs, end of period)	4,599	4,629	-0.6%	4,599	4,192	9.7%

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 77 million from EUR 52 million in the third quarter of 2016, reflecting higher fees and premium-based revenues, partly offset by higher administrative expenses. The current quarter included a contribution of Delta Lloyd Belgium of EUR 7 million and EUR 5 million of non-recurring benefits.

The investment margin increased to EUR 23 million from EUR 16 million in the third quarter of 2016, mainly driven by an increase of the general account invested assets following the inclusion of Delta Lloyd.

Fees and premium-based revenues increased to EUR 181 million from EUR 136 million in the third quarter of 2016. The increase was mainly driven by higher life sales in Poland and Turkey and higher fees on Assets under Management across the region due to portfolio growth and market value increases. The increase of the portfolio following the inclusion of Delta Lloyd also contributed to the higher fees and premium-based revenues. The current quarter includes EUR 5 million of non-recurring benefits related to the life business in Greece.

The technical margin was stable at EUR 50 million.

Administrative expenses increased to EUR 97 million from EUR 77 million in the third quarter of 2016, mainly as a result of the additional expense base of Delta Lloyd.

DAC amortisation and trail commissions increased to EUR 81 million from EUR 75 million in the third quarter of 2016, resulting from the portfolio increase following the inclusion of Delta Lloyd.

The result before tax decreased to EUR 64 million from EUR 113 million in the third quarter of 2016, which included capital gains following the sale of Belgian government bonds whereas the current quarter was impacted by EUR 10 million impairments on corporate loans.

New sales (APE) increased to EUR 141 million from EUR 101 million in the third quarter of 2016, reflecting higher life sales across the region and the contribution of sales by Delta Lloyd.

In the first nine months of 2017, the operating result of Insurance Europe increased to EUR 192 million from EUR 138 million in the same period of 2016, driven by higher fees and premium-based revenues and non-recurring benefits for a total amount of EUR 12 million, partly offset by higher administrative expenses. The contribution of Delta Lloyd was EUR 11 million.

The result before tax in the first nine months of 2017 increased to EUR 222 million from EUR 170 million in the same period of 2016, reflecting the higher operating result and lower special items, partly offset by lower non-operating items.

New sales (APE) increased to EUR 486 million in the first nine months of 2017 from EUR 364 million in the same period last year, driven by higher life sales across the region and the contribution of sales by Delta Lloyd.

Japan Life

- Operating result was EUR 52 million, up 47.7% from the third quarter of 2016, excluding currency effects, reflecting higher fees and premium-based revenues and an improvement in the technical margin and investment margin, partially offset by higher expenses
- New sales (APE) were EUR 203 million, up 11.3% from the third quarter of 2016, excluding currency effects

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Investment margin	-1	-6		-5	-18	
Fees and premium-based revenues	154	162	-5.1%	482	468	2.9%
Technical margin	0	-11		14	-20	
Operating income non-modelled business	0	0		0	0	
Operating income	152	145	4.9%	491	429	14.3%
Administrative expenses	35	32	9.1%	103	88	17.8%
DAC amortisation and trail commissions	65	72	-10.6%	213	212	0.7%
Expenses	100	105	-4.5%	316	299	5.7%
Operating result	52	40	29.4%	175	130	34.0%
Non-operating items	-3	-1		-7	-4	
of which gains/losses and impairments	0	2	-103.8%	8	2	205.7%
of which revaluations	-3	-3		-15	-7	
of which market & other impacts	0	0		0	0	
Special items before tax	0	0		0	-2	
Result on divestments	0	0		0	0	
Result before tax	49	39	26.5%	167	124	35.1%
Taxation	14	7	92.7%	47	25	88.3%
Minority interests	0	0		0	0	
Net result	35	32	11.4%	120	99	21.6%
New business						
Single premiums	0	0		0	6	-100.0%
Regular premiums	203	209	-2.6%	590	512	15.4%
New sales life insurance (APE)	203	209	-2.6%	590	512	15.3%
Key figures						
Gross premium income	904	906	-0.2%	2,780	2,557	8.7%
Total administrative expenses	35	32	9.1%	103	88	17.8%
Cost/income ratio (Administrative expenses/Operating income)	23.2%	22.3%		21.0%	20.4%	
Net operating ROE ¹⁰⁾²⁵⁾	9.6%	6.9%		10.4%	8.0%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Life general account invested assets	14	14	0.4%	14	14	-1.3%
Total provisions for insurance & investment contracts	13	13	-0.2%	13	13	-3.5%
of which for risk policyholder	0	0	0.5%	0	0	2.5%
Allocated equity (end of period) ⁶⁾¹⁰⁾²⁵⁾	2,121	2,162	-1.9%	2,121	2,650	-20.0%
Employees (internal FTEs, end of period)	804	792	1.5%	804	686	17.2%

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 52 million, up 47.7% from the third quarter of 2016, excluding currency effects, reflecting higher fees and premium-based revenues and an improvement in the technical margin and investment margin, partially offset by higher expenses.

The investment margin improved to EUR –1 million from EUR –6 million in the third quarter of 2016 reflecting an increased volume of invested assets at relatively higher yields.

Fees and premium-based revenues were EUR 154 million, up 8.3% from the third quarter of 2016, excluding currency effects, driven by higher in-force volumes.

The technical margin was nil, an improvement versus EUR –11 million in the third quarter of 2016 on more favourable mortality and surrender results.

Administrative expenses were EUR 35 million, up 24.3% from the third quarter of 2016, excluding currency effects, driven by higher costs to support business growth.

DAC amortisation and trail commissions were EUR 65 million, up 2.0% from the third quarter of 2016, excluding currency effects.

The result before tax was EUR 49 million, up 44.4% from the third quarter of 2016, at constant currencies, mainly reflecting the higher operating result.

New sales (APE) increased to EUR 203 million, up 11.3% from the third quarter of 2016, excluding currency effects, mainly due to higher sales of new COLI products launched in 2017 and sales through the Sumitomo partnership which started in April 2017.

In the first nine months of 2017, the operating result of Japan Life was EUR 175 million, up 36.9% compared with the same period of 2016, excluding currency effects. A higher technical margin due to better mortality and surrender results, higher fees and premium-based revenues and an improved investment margin were partly offset by an increase in DAC amortisation and higher administrative expenses.

The result before tax for the first nine months of 2017 was EUR 167 million, up 37.8% from the same period of 2016, at constant currencies, reflecting the higher operating result.

New sales (APE) were EUR 590 million, up 19.2% from the first nine months of 2016 at constant currencies, due to higher sales of new COLI products launched in 2017 and sales through the Sumitomo partnership which started in April 2017.

Asset Management

- Total Assets under Management (AuM) decreased to EUR 244 billion from EUR 245 billion at the end of the second quarter of 2017
- Operating result increased to EUR 45 million from EUR 38 million in the third quarter of 2016, reflecting higher fees, partly offset by higher expenses

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Investment income	0	0		0	0	
Fees	134	119	12.7%	387	343	12.9%
Operating income	134	119	12.7%	387	343	12.8%
Administrative expenses	89	81	10.0%	271	243	11.7%
Operating result	45	38	18.5%	115	100	15.5%
Non-operating items	0	-1		0	-1	
of which gains/losses and impairments	0	-1		0	-1	
of which revaluations	0	0		0	0	
of which market & other impacts	0	0		0	0	
Special items before tax	-2	-1		-7	-3	
Result on divestments	0	0		0	0	
Result before tax	43	36	18.6%	108	95	13.2%
Taxation	9	10	-9.6%	26	24	7.7%
Minority interests	0	0		0	0	
Net result	34	27	28.7%	82	71	15.1%
Key figures						
Total administrative expenses	89	81	10.0%	271	243	11.7%
Cost/income ratio (Administrative expenses/Operating income)	66.3%	68.0%		70.2%	70.9%	
Fees/average Assets under Management (in bps)	22	24		23	24	
Net operating ROE ¹⁰⁾	30.4%	28.4%		26.5%	24.7%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Assets under Management	244	245	-0.5%	244	199	22.5%
Allocated equity (end of period) ⁽⁶⁾⁽¹⁰⁾	453	452	0.2%	453	395	14.7%
Employees (internal FTEs, end of period)	1,185	1,220	-2.9%	1,185	1,129	4.9%
AuM roll-forward						
Beginning of period	245	194	26.4%	195	187	4.2%
Net inflow	-2	2		0	-3	
Acquisition / Divestments	0	52		52	0	
Market performance (incl. FX impact) and Other	1	-3		-3	16	
End of period	244	245	-0.5%	244	199	22.5%

Total Assets under Management (AuM) at Asset Management decreased to EUR 244 billion at the end of the third quarter of 2017 from EUR 245 billion at the end of the second quarter of 2017. The decrease was due to net outflows of Proprietary assets of EUR 1.8 billion, partly offset by positive market performance of EUR 0.6 billion and net inflows of Third Party assets of EUR 0.1 billion.

The operating result increased to EUR 45 million from EUR 38 million in the third quarter of 2016, driven by higher fees, partly offset by higher expenses. The contribution of Delta Lloyd was EUR 5 million.

Fees were EUR 134 million, up from EUR 119 million in the third quarter of 2016, reflecting the additional fees generated by Delta Lloyd Asset Management.

Administrative expenses were EUR 89 million, up from EUR 81 million in the third quarter of 2016. The increase reflects the inclusion of Delta Lloyd Asset Management expenses, offset by lower IT and market data expenses.

The result before tax increased to EUR 43 million compared with EUR 36 million the third quarter of 2016 reflecting the higher operating result.

In the first nine months of 2017, the operating result was EUR 115 million, up 15.5% from the same period in 2016. Higher fee income as a result of the inclusion of Delta Lloyd Asset Management and higher margin AuM was partly offset by an increase in administrative expenses due to the inclusion of Delta Lloyd Asset Management and higher staff-related expenses.

The result before tax in the first nine months of 2017 was EUR 108 million, up 13.2% compared with the same period in 2016, as the higher operating result was partly offset by higher special items reflecting restructuring expenses regarding the integration of NN Investment Partners and Delta Lloyd Asset Management.

Other

- Operating result improved to EUR 41 million from EUR -11 million in the third quarter of 2016 supported by a total of EUR 32 million non-recurring benefits at the reinsurance business and in the other results as well as a higher operating result at the banking business
- The operating result of the reinsurance business increased to EUR 21 million from EUR 2 million in the third quarter of 2016 reflecting non-recurring benefits for a total amount of EUR 16 million
- The operating result of the banking business increased to EUR 35 million from EUR 17 million in the third quarter of 2016, reflecting the inclusion of Delta Lloyd as well as a higher interest margin

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Interest on hybrids and debt ²⁶⁾	-35	-26		-99	-77	
Investment income and fees	39	14	182.6%	73	41	77.0%
Holding expenses	-37	-16		-92	-41	
Amortisation of intangible assets	0	-2		-1	-5	
Holding result	-34	-30		-119	-81	
Operating result reinsurance business	21	2		35	14	150.3%
Operating result banking business	35	17	106.4%	92	47	98.7%
Other results	19	0		21	1	
Operating result	41	-11		29	-20	
Non-operating items	12	-1		45	-4	
of which gains/losses and impairments	5	3	57.0%	38	6	
of which revaluations	6	-4		6	-10	
of which market & other impacts	0	0		0	0	
Special items before tax	-29	-2		-78	-7	
Amortisation of acquisition intangibles	-33	0		-66	0	
Result on divestments	0	0		-178	0	
Result before tax	-9	-14		-249	-31	
Taxation	-9	6	-242.0%	-24	5	
Minority interests	0	0		0	0	
Net result	0	-20		-225	-36	
Key figures						
Total administrative expenses	92	61	52.6%	255	175	45.4%
of which reinsurance business	3	4	-15.3%	10	11	-8.5%
of which banking business	55	41	35.4%	154	123	25.5%
of which corporate/holding	34	16	111.9%	90	41	119.5%
Net operating ROE banking business ¹⁴⁾	15.5%	10.6%		15.5%	10.1%	

In EUR billion	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
NN Bank common equity Tier 1 ratio phased in ¹³⁾	14.2%	14.0%		14.2%	14.1%	
Delta Lloyd Bank common equity Tier 1 ratio phased in ¹³⁾	16.5%	16.8%		16.5%		
Total assets banking business	21	21	2.3%	21	14	52.4%
Total provisions for insurance and investment contracts	0	0	-28.6%	0	0	-43.1%
Employees (internal FTEs, end of period)	2,733	2,958	-7.6%	2,733	1,759	55.4%

The operating result of the segment Other was EUR 41 million versus EUR -11 million in the third quarter of 2016. The current quarter result was supported by a total of EUR 32 million non-recurring benefits at the reinsurance business and in the other results, as well as higher operating results at the banking business, partly offset by a lower holding result.

The holding result decreased to EUR -34 million from EUR -30 million in the third quarter of 2016. The decrease was mainly due to higher holding expenses and higher interest on hybrids and debt, partly compensated by higher investment income and fees, all of which were impacted by the inclusion of Delta Lloyd. The investment income and fees in the current quarter reflect a EUR 12 million year-to-date benefit related to the amortisation of the senior debt issued by Delta Lloyd N.V., which will mature on 17 November 2017. The higher holding expenses also reflect a revised method for charging head office expenses to the segments.

The operating result of the reinsurance business increased to EUR 21 million from EUR 2 million in the third quarter of 2016, reflecting non-recurring benefits for a total amount of EUR 16 million.

The operating result of the banking business increased to EUR 35 million from EUR 17 million in the third quarter of 2016, reflecting the inclusion of Delta Lloyd, as well as a higher interest margin driven by a larger mortgage portfolio.

The other results in the segment Other were EUR 19 million in the third quarter of 2017 reflecting a EUR 16 million provision release related to a legacy entity (NNOFIC).

The result before tax of the segment Other was EUR -9 million compared with EUR -14 million in the third quarter of 2016. The higher operating result and non-operating items were partly offset by EUR 33 million amortisation of acquisition intangibles and EUR 29 million special items reflecting expenses related to the integration of Delta Lloyd and ongoing restructuring expenses.

In the first nine months of 2017, the operating result of the segment Other improved to EUR 29 million from EUR -20 million in the same period of 2016. The operating result for the first nine months of 2017 benefited from non-recurring items for a total amount of EUR 32 million at the reinsurance business and in the other results, as well as a higher operating result at the banking business, partly offset by a lower holding result.

The operating result of the banking business increased to EUR 92 million from EUR 47 million in the first nine months of 2016, reflecting the inclusion of Delta Lloyd, a higher interest margin and lower additions to the loan loss provision.

The result before tax of the segment Other was EUR -249 million versus EUR -31 million in the first nine months of 2016. The result before tax for the first nine months of 2017 reflects a provision related to ING Australia Holdings of EUR 185 million, higher special items reflecting expenses related to the integration of Delta Lloyd and ongoing restructuring expenses, as well as amortisation of acquisition intangibles. These items were partly compensated by the higher operating result and higher non-operating items, as well as the EUR 9 million gain on the sale of Mandema & Partners completed in January 2017.

Japan Closed Block VA

- Result before tax was EUR 3 million versus EUR -13 million in the third quarter of 2016, which was impacted by higher market volatility
- Portfolio run-off resulted in a 20.1% decrease in the number of policies compared with the second quarter of 2017

In EUR million	3Q17	3Q16	Change	9M17	9M16	Change
Analysis of results						
Investment margin	-1	-1		-2	-2	
Fees and premium-based revenues	9	14	-39.8%	32	43	-26.8%
Technical margin	0	0		0	0	
Operating income non-modelled business	0	0		0	0	
Operating income	8	14	-41.1%	30	42	-27.6%
Administrative expenses	3	4	-20.1%	9	12	-22.1%
DAC amortisation and trail commissions	1	2	-32.5%	4	5	-26.8%
Expenses	4	6	-23.8%	13	17	-23.5%
Operating result	4	8	-52.8%	17	24	-30.5%
Non-operating items	-1	-21		-23	-134	
of which gains/losses and impairments	0	0		0	0	
of which revaluations	0	0		0	0	
of which market & other impacts ²³⁾	-1	-21		-23	-134	
Special items before tax	0	0		0	0	
Result on divestments	0	0		0	0	
Result before tax	3	-13		-6	-110	
Taxation	1	-3		-1	-27	
Minority interests	0	0		0	0	
Net result	2	-9		-5	-83	

In EUR million	3Q17	2Q17	Change	9M17	9M16	Change
Key figures						
Allocated equity ¹⁰⁾	404	452	-10.7%	404	627	-35.6%
Account value	5,384	6,546	-17.8%	5,384	8,699	-38.1%
Net Amount at Risk	80	180		80	917	
IFRS Reserves	271	401	-32.4%	271	1,176	-76.9%
Number of policies	97,847	122,394	-20.1%	97,847	163,450	-40.1%
Employees (internal FTEs)	49	53	-7.5%	49	51	-3.9%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.8.1 Analysis of results: Japan Closed block VA – Excluding currency effects'

The result before tax of Japan Closed Block VA was EUR 3 million versus EUR -13 million in the third quarter of 2016, which included negative hedge-related results due to higher market volatility.

The operating result decreased to EUR 4 million from EUR 8 million in the third quarter of 2016, as fees and premium-based revenues declined due to the run-off of the portfolio.

Fees and premium-based revenues were EUR 9 million, down 31.6% from the third quarter of 2016 excluding currency effects, mainly due to a lower account value reflecting a decreasing number of policies.

Administrative expenses decreased to EUR 3 million.

Market and other impacts were EUR -1 million compared with EUR -21 million in the third quarter of 2016, which reflected a hedge-related loss of EUR 21 million due to the impact of higher market volatility.

The Net Amount at Risk in the Japan Closed Block VA decreased to EUR 80 million from EUR 917 million in the third quarter of 2016 and from EUR 180 million in the second quarter of 2017, as a result of equity markets appreciation and the run-off of the portfolio.

In the first nine months of 2017 the result before tax was EUR -6 million compared with EUR -110 million in the same period a year ago. The first nine months of 2017 included a hedge-related loss of EUR 22 million whereas the same period last year included a EUR 123 million hedge-related loss due to higher market volatility as well as a EUR 16 million technical provision increase following a refinement of lapse assumptions.

In the first nine months of 2017 the operating result before tax was EUR 17 million compared with EUR 24 million in the same period a year ago, down 29.6% excluding currency impacts, mainly due to lower fees and premium-based revenues driven by the run-off of the portfolio.

Consolidated Balance Sheet

- Total assets of NN Group decreased by EUR 2.3 billion compared with the second quarter of 2017 to EUR 229.6 billion, mainly as the result of the run-off of Japan Closed Block VA and currency impacts
- Shareholders' equity increased by EUR 0.2 billion to EUR 22.0 billion mainly reflecting the third quarter net result partly offset by lower revaluation reserves and the cash part of the 2017 interim dividend

in EUR million	30 Sep 17	30 Jun 17	31 Dec 16 ⁽²⁾		30 Sep 17	30 Jun 17	31 Dec 16 ⁽²⁾
Assets				Equity and liabilities			
Cash and cash equivalents	9,665	10,022	8,634	Shareholders' equity (parent)	22,009	21,824	22,695
Financial assets at fair value through profit or loss				Minority interests	321	313	12
- investments for risk of policyholders	33,532	34,506	30,711	Undated subordinated notes	1,764	1,764	986
- non-trading derivatives	4,910	5,297	4,421	Total equity	24,094	23,901	23,693
- designated as at fair value through profit or loss	866	815	873	Subordinated debt	2,474	2,478	2,288
Available-for-sale investments	105,838	107,861	79,767	Debt securities issued	2,566	2,577	598
Loans	56,098	54,627	33,920	Other borrowed funds	7,522	7,371	7,646
Reinsurance contracts	919	1,053	231	Insurance and investment contracts	164,380	166,571	115,708
Associates and joint ventures	3,153	3,113	2,698	Customer deposits and other funds on deposit	14,583	14,572	10,224
Real estate investments	3,470	3,428	2,028	Financial liabilities at fair value through profit or loss			
Property and equipment	151	155	86	- non-trading derivatives	2,835	2,764	2,008
Intangible assets	1,859	1,899	342	Deferred tax liabilities	1,655	1,632	2,979
Deferred acquisition costs	1,666	1,682	1,631	Liabilities held for sale	2,408	2,408	2
Deferred tax assets	121	139	35	Other liabilities	7,073	7,600	3,354
Assets held for sale	2,422	2,422	6	Total liabilities	205,496	207,973	144,807
Other assets	4,920	4,855	3,117	Total equity and liabilities	229,590	231,874	168,500
Total assets	229,590	231,874	168,500				

Assets

Investments for risk of policyholders

Investments for policyholders decreased by EUR 1.0 billion in the third quarter to EUR 33.5 billion as a result of the run-off of Japan Closed Block VA.

Available-for-sale investments

Available-for-sale investments decreased by EUR 2.0 billion to EUR 105.8 billion mainly as a result of the sale of government bonds and currency impacts.

Loans

Loans increased by EUR 1.5 billion to EUR 56.1 billion, reflecting a EUR 1.2 billion net increase of the mortgages portfolio.

Liabilities

Insurance and investment contracts

Insurance and investment contracts decreased to EUR 164.4 billion reflecting the aforementioned run-off of Japan Closed Block VA and currency impacts.

Equity

Shareholders' equity increased by EUR 0.2 billion to EUR 22.0 billion. The increase reflects the EUR 0.7 billion third-quarter net result offset by a EUR 0.3 billion decrease in the available-for-sale-debt securities revaluation reserves due to capital gains realised on the sale of government bonds, as well as the cash part of the 2017 interim dividend of EUR 130 million.

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

in EUR million	3Q17	9M17	FY16 ⁽²²⁾
Shareholders' equity beginning of period	21,824	22,695	20,458
Net result for the period	734	1,410	1,189
Unrealised revaluations available-for-sale investments and other	236	-789	2,423
Realised gains/losses transferred to the profit and loss account	-339	-575	-230
Change in cash flow hedge reserve	-228	-1,171	406
Deferred interest crediting to life policyholders	61	751	-689
Share of other comprehensive income of associates and joint ventures	0	1	3
Exchange rate differences	-71	-140	-7
Remeasurement of the net defined benefit asset/liability	-2	9	-13
Capital contributions and change in share capital	0	420	0
Dividend	-130	-317	-298
Purchase/sale treasury shares	-79	-224	-503
Employee stock option & share plans	3	-2	-10
Coupon on undated subordinated notes	0	-59	-34
Total changes	185	-686	2,237
Shareholders' equity end of period	22,009	22,009	22,695

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

in EUR million	30 Sep 17	30 Jun 17	31 Dec 16 ⁽²²⁾
Share capital	41	42	40
Share premium	12,572	12,571	12,153
Revaluation reserve available-for-sale investments and other	5,135	5,186	5,792
Cash flow hedge reserve	3,264	3,492	4,435
Currency translation reserve	-118	-48	10
Net defined benefit asset/liability remeasurement reserve	-94	-92	-103
Retained earnings and other reserves	1,209	673	368
Shareholders' equity (parent)	22,009	21,824	22,695
Minority interests	321	313	12
Undated subordinated notes	1,764	1,764	986
Total equity	24,094	23,901	23,693
Shareholders' equity per share in EUR	65	65	70

Capital Management

- Solvency II ratio of NN Group was 204% reflecting operating return and positive market impacts
- Free cash flow to the holding in the third quarter of 2017 was EUR 268 million reflecting EUR 332 million of dividends from subsidiaries offset by the cost of financial leverage and holding company expenses
- Cash capital position at the holding company increased to EUR 1,789 million

Solvency II

in EUR million	30 Sep 17	30 Jun 17
Basic Own Funds	17,417	17,089
Non-available Own Funds	1,259	1,422
Non-eligible Own Funds	299	376
Eligible Own Funds (a)	15,859	15,291
of which Tier 1 Unrestricted	9,495	8,807
of which Tier 1 Restricted	1,868	1,891
of which Tier 2	2,390	2,399
of which Tier 3	1,091	1,097
of which non-solvency II regulated entities	1,015	1,098
Solvency Capital Requirements (b)	7,782	7,818
of which non-solvency II regulated entities	507	508
NN Group Solvency II ratio (a/b)²⁾	204%	196%
NN Life Solvency II ratio²⁾	218%	220%
Delta Lloyd Life Solvency II ratio²⁾	149%	139%

The NN Group Solvency II ratio increased to 204% at the end of the third quarter of 2017 from 196% at the end of the second quarter of 2017 mainly driven by operating return, tightening of credit spreads on government bonds and a positive contribution of equity and real estate investments.

The NN Life Solvency II ratio decreased to 218% at the end of the third quarter of 2017 from 220% at the end of the second quarter of 2017. This reflects a EUR 150 million dividend paid to the holding company and an increase of the SCR, as well as operating return, and the positive contribution from tightening of credit spreads, equity and real estate investments.

The Delta Lloyd Life Solvency II ratio increased to 149% at the end of the third quarter of 2017 from 139% at the end of the second quarter of 2017 mainly driven by operating return and the aforementioned positive contribution from tightening of credit spreads.

Cash capital position at the holding company

in EUR million	3Q17	9M17
Beginning of period	1,731	2,489
Cash divestment proceeds	0	26
Dividends from subsidiaries ¹⁵⁾	332	1,447
Capital injections into subsidiaries ¹⁶⁾	0	-552
Other ¹⁷⁾	-64	-377
Free cash flow to the holding¹⁸⁾	268	544
Acquisitions	0	-2,234
Addition Delta Lloyd cash capital position	0	413
Capital flow from / (to) shareholders	-209	-548
Increase / (decrease) in debt and loans	0	1,124
End of period	1,789	1,789

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 1,789 million at the end of the third quarter of 2017 from EUR 1,731 million at the end of the second quarter of 2017. The increase reflects EUR 332 million of dividends mainly from the Dutch units, offset by capital flows to shareholders of EUR 209 million representing the cash part of the 2017 interim dividend of EUR 130 million and shares repurchased in the third quarter of 2017 for an amount of EUR 79 million. Other movements include holding company expenses, interest on loans and debt, and other holding company cash flows.

Financial leverage

in EUR million	30 Sep 17	30 Jun 17	30 Sep 16
Shareholders' equity ²²⁾	22,009	21,824	25,459
Adjustment for revaluation reserves ¹⁹⁾	-6,402	-6,807	-11,528
Minority interests	321	313	9
Capital base for financial leverage (a)²⁴⁾	15,928	15,330	13,940
Undated subordinated notes ²⁰⁾	1,764	1,764	986
Subordinated debt	2,474	2,478	2,288
Total subordinated debt	4,237	4,242	3,274
Debt securities issued (financial leverage)	2,566	2,577	398
Financial leverage (b)	6,803	6,819	3,672
Debt securities issued (operational leverage)	0	0	199
Total debt	6,803	6,819	3,871
Financial leverage ratio (b/(a+b))	29.9%	30.8%	20.8%
Fixed-cost coverage ratio ²⁰⁾²¹⁾	12.4x	12.0x	13.0x

The financial leverage ratio of NN Group decreased to 29.9% at the end of the third quarter of 2017 compared with 30.8% at the end of the second quarter of 2017. The capital base for financial leverage increased by EUR 598 million mainly driven by the third-quarter net result of EUR 734 million.

The fixed-cost coverage ratio increased to 12.4x at the end of the third quarter of 2017 from 12.0x at the end of the second quarter of 2017 (on a last 12-months basis).

Senior notes for an amount of EUR 575 million will mature on 17 November 2017. Following repayment, the financial leverage ratio will decrease to 28.1% and the cash capital position at the holding company will decrease to EUR 1.2 billion at the end of the third quarter of 2017 on a pro-forma basis.

As part of the legal restructuring process, NN Group N.V. and NN Group Bidco B.V. ('NN Group Bidco') have started preparations for a legal merger of NN Group Bidco into NN Group N.V. As a result of the legal merger, NN Group Bidco will cease to exist and NN Group N.V. will assume all assets and liabilities of NN Group Bidco, including its subordinated notes of EUR 750 million and the Delta Lloyd legal entities. The legal merger is anticipated to be completed ultimately on 31 December 2017.

Interim dividend

On 11 September 2017, NN Group paid an interim dividend of EUR 0.62 per ordinary share. Approximately 37.5% of shareholders elected to receive the dividend in ordinary shares. Consequently, 2,346,671 new ordinary shares were issued for the settlement of the stock dividend. The dilutive effect of the stock dividend will be neutralised through repurchase of shares for an amount of EUR 78 million, equivalent to the value of the stock dividend.

Share buyback

NN Group intends to neutralise the dilutive effect of stock dividends. Following payment of the 2016 final dividend and the 2017 interim dividend, NN Group announced that it will repurchase ordinary shares for a total amount of EUR 207 million, equivalent to the value of the stock dividends. The remaining outstanding amount on 10 November 2017 was EUR 63 million. These share buybacks are being executed under the open market share buyback programme by financial intermediaries by 31 December 2017. In the third quarter of 2017, shares for an amount of EUR 79 million were repurchased.

The share buyback programme is being executed within the limitations of the existing authority granted by the General Meeting on 1 June 2017 and is being performed in compliance with the safe harbour provisions for share buybacks. The shares will be repurchased at a price that does not exceed the last independent trade or the highest current independent bid on Euronext Amsterdam. NN Group intends to cancel all of the shares acquired under the programme. NN Group reports on the progress of the share buyback programme on its corporate website on a weekly basis (www.nn-group.com/Investors/Share-buyback-programme.htm).

Share capital

The total number of NN Group shares outstanding (net of 4,890,144 treasury shares) on 10 November 2017 was 335,860,198.

Credit ratings

On 23 October 2017, Fitch affirmed NN Group's 'A+' financial strength rating and 'A' credit rating with a stable outlook. On 26 October 2017, Standard & Poor's affirmed NN Group's 'A' financial strength rating and 'BBB+' credit rating with a stable outlook.

Credit ratings of NN Group N.V. on 16 November 2017	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 amortisation of acquisition intangibles, 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 recognized 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 2016 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. The Solvency II ratio for Delta Lloyd Life (Delta Lloyd Levensverzekering N.V.) is based on the standard formula.
- 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) As of 2Q17, the calculation methodology for the combined ratio has been updated and now excludes the discount rate unwind on the D&A insurance liabilities. All comparative combined ratios have been updated to reflect this change.
- 5) Excluding health and broker businesses.
- 6) End of period, in EUR million.
- 7) Four-quarter rolling average. As of 2Q17, the calculation reflects the impact of including Delta Lloyd on an annualised basis.
- 8) Net operating result of the ongoing business, 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 of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of ongoing business. 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 recognized as a result of the Delta Lloyd acquisition. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 2016 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 2016 Consolidated Annual Accounts.
- 11) Including health and broker businesses.
- 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) The 'Common equity Tier 1 ratio phased in' is not final until filed with the regulators.
- 14) Net operating ROE is calculated as the (annualised) net operating result of the banking business, 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 2016 Consolidated Annual Accounts.
- 15) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 16) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 17) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 18) 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 and the inclusion of the Delta Lloyd cash capital position.
- 19) Includes revaluations on debt securities, on the cash flow hedge reserve and on the reserves crediting to life policyholders.
- 20) 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.
- 21) Measures the ability of earnings before interest and tax (EBIT) of ongoing business to cover funding costs on financial leverage; calculated on a last 12-months basis.
- 22) As of 1 January 2017, NN Group changed its accounting policy for the Reserve Adequacy Test. The change represents a change in accounting policy under IFRS and is implemented retrospectively. The impact on previous periods is limited to the consolidated balance sheet and equity. For more details refer to the 31 March 2017 Condensed consolidated interim accounts.
- 23) The hedge-related loss for the first nine months of 2016 has been updated from EUR 124 million to EUR 123 million to align with the 2016 Consolidated Annual Accounts.
- 24) As of 2Q17, the calculation methodology for the financial leverage ratio has been updated to better align with market practice. Goodwill is no longer deducted from the capital base for financial leverage and historical figures have been updated to reflect this change.
- 25) As of 2Q17, 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.
- 26) Does not include interest costs on subordinated debt treated as equity

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).

Investor conference call and webcast

Lard Friese and Delfin Rueda will host an analyst and investor conference call to discuss the 3Q17 results at 10.00 am CET on Thursday 16 November 2017. 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.

Press call

Lard Friese and Delfin Rueda will host a press call to discuss the 3Q17 results, which will be held at 07.30 am CET on Thursday 16 November 2017. Journalists can join the press call at +31 (0)20 531 5863.

Financial calendar

- Capital Markets Day: 30 November 2017
- Publication 4Q17 results: 15 February 2018
- Publication 1Q18 results: 17 May 2018
- Publication 2Q18 results: 16 August 2018

Contact information

Press enquiries

Saskia Kranendonk
+31 62 568 3835
saskia.kranendonk@nn-group.com

Investor enquiries

Investor Relations
+31 88 663 5464
investor.relations@nn-group.com

Additional information on www.nn-group.com

- NN Group 3Q17 Financial Supplement, NN Group 3Q17 Analyst Presentation
- NN Group 30 September 2017 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 on 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 accounts for the period ended 30 September 2017.

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.