

Press release

5 October 2016

This is a press release by NN Group N.V. ("NN Group"), pursuant to the provisions of Section 5 Paragraph 2 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) in connection with a potential voluntary public offer by NN Group for all the issued and outstanding ordinary shares in the capital of Delta Lloyd N.V. ("Delta Lloyd"). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

NN Group intends to make an all-cash offer for Delta Lloyd of EUR 5.30 per ordinary share

- **Intended all-cash offer of EUR 5.30 per share for all issued and outstanding ordinary shares of Delta Lloyd, for a total consideration of EUR 2.4 billion**
- **A premium of approximately 53% over the last 3-months average closing price and 29% over the last closing price of EUR 4.12 per share**
- **Creation of a well-diversified leader in the Dutch pensions, life & non-life insurance and banking sectors, with a strong asset management platform, attractive international presence, ample growth opportunities and appealing customer propositions**
- **Increased scale and efficiency will drive significant expected EPS, free cash flow and DPS accretion**
- **Robust combined balance sheet and solid solvency position**
- **NN Group intends to finance the all-cash offer using existing cash resources and external debt**
- **NN Group has provided its proposal to the Executive Board and the Supervisory Board of Delta Lloyd, and has invited them to discuss this proposal with a view to come to a recommended transaction**
- **NN Group will submit a request to the Dutch Central Bank for a declaration of no objection to pursue the transaction**

NN Group announces today that it has shared its views on the rationale and the benefits of combining Delta Lloyd and the Dutch and Belgian activities of NN Group with the Executive Board and the Supervisory Board of Delta Lloyd. NN Group has submitted a proposal to the Boards of Delta Lloyd to combine these activities by way of a public tender offer to be made by NN Group for the entire issued and outstanding ordinary share capital of Delta Lloyd for EUR 5.30 in cash per ordinary Delta Lloyd share.

To date, the Boards of Delta Lloyd have not accepted NN Group's invitation to discuss its proposal and negotiate a recommended transaction.

Further details of the intended offer

The offer price of EUR 5.30 (cum dividend) in cash per ordinary Delta Lloyd share represents:

- a premium of approximately 29% over the closing price of EUR 4.12 per ordinary Delta Lloyd share on 4 October 2016;



- a premium of approximately 36% relative to the average closing price of an ordinary share of Delta Lloyd during the last month; and
- a premium of approximately 53% relative to the average closing price of an ordinary share of Delta Lloyd during the last three months.

The offer will provide Delta Lloyd's shareholders with an immediate, certain and attractive cash value. NN Group believes the offer price represents full and fair value to Delta Lloyd's shareholders. NN Group intends to finance the all-cash offer using existing cash resources and external debt. It is expected that the transaction will be EPS, free cash flow and DPS accretive. NN Group will complete the previously announced share buybacks to neutralise the stock dividends. The remaining outstanding part of the EUR 500 million share buyback programme will be suspended in light of today's announcement.

Stronger businesses and synergies

A combination of Delta Lloyd and the Dutch and Belgian activities of NN Group is financially and strategically compelling and beneficial to the companies' stakeholder groups. Combining these activities meets the key criteria of NN Group's disciplined capital deployment strategy and provides the following expected benefits:

- Expected to deliver significant EPS, free cash flow and DPS accretion;
- Maintaining a strong balance sheet and solvency position;
- Creating value through additional scale, cost synergies and capital diversification;
- Strengthening the commercial platform, cementing market leading positions; and
- Further enhancing our customer proposition by complementing our product offering and distribution.

Lard Friese, CEO of NN Group: *'Since our IPO in 2014, we have been focused on the execution of our strategy, delivering an excellent customer experience and pursuing growth in selected European markets and Japan. Our financial position is robust, allowing us to focus on further improving our businesses and delivering value to our shareholders. We believe there is a clear and compelling logic to bring consolidation to the Dutch insurance market through a combination of the businesses of NN Group and Delta Lloyd in a way that benefits both companies and their stakeholders. The combination will be a leading player in the Dutch insurance, banking and asset management markets, with a strong international presence, which will benefit from economies of scale and significant free cash flow generation potential, and offer an array of attractive products and services to customers.'*

NN Group is ready to move swiftly and is in a position to complete a confirmatory due diligence simultaneously with the negotiation of a merger protocol with a view to come to a recommended transaction within a short period of time. NN Group expects such merger protocol to be customary for transactions of this nature, in particular with respect to non-financial covenants relating to employees, integration, governance, strategy, organisation and post-closing restructurings.

The offer will be subject to customary pre-offer and offer conditions precedent for transactions of this nature, including, but not limited to, a minimum acceptance level, anti-trust clearance and other regulatory approvals, including from the Dutch Central Bank. NN Group looks forward to engaging with the NN Group and Delta Lloyd Works Councils to share with them its views on the combination.



Other

To the extent permissible under applicable law or regulation, NN Group and its affiliates or brokers (acting as agents for NN Group or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the intended offer, directly or indirectly purchase, or arrange to purchase, ordinary shares in the capital of Delta Lloyd, that are the subject of the intended offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of NN Group. In addition, financial advisors to NN Group may also engage in ordinary course trading activities in securities of Delta Lloyd, which may include purchases or arrangements to purchase such securities.

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Press/Investor call and webcast

Lard Friese and Delfin Rueda will host a press, analyst and investor conference call to present NN Group's views on the intended offer at 9:30 am CET on 5 October 2016. Journalists and members of the investment community can join the conference call at +31 020 531 5867 (NL), +44 20 3365 3210 (UK), +1 866 349 6093 (US) or follow the webcast on www.nn-group.com.

NN Group profile

NN Group is an international insurance and asset management company, active in more than 18 countries, with a strong presence in a number of European countries and Japan. With around 11,500 employees the group offers retirement services, insurance, investments and banking to more than 15 million customers. NN Group includes Nationale-Nederlanden, NN and NN Investment Partners. NN Group is listed on Euronext Amsterdam (NN).

General restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of Delta Lloyd or NN Group in any jurisdiction.

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Important legal information

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, (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, (13) changes in the policies 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 us 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 and (18) the other risks and uncertainties detailed in the Risk Factors section 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.

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