

# Recommended public cash offer by NN Group for all issued and outstanding ordinary shares of Delta Lloyd

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## Joint Press release

*This is a joint press release by NN Group N.V. ('NN Group') and Delta Lloyd N.V. ('Delta Lloyd'), pursuant to the provisions of Article 10 Paragraph 3 and Article 18 Paragraph 3 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) (the 'Decree') in connection with the recommended public offer by NN Group for all the issued and outstanding ordinary shares in the capital of 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 the Offer Memorandum, which is available as of today, and subject to the restrictions set forth therein. Terms not defined in this press release will have the meaning given thereto in the Offer Memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

**Publication of Offer Memorandum - Offer to be discussed at Delta Lloyd EGMs on 29 March 2017 - Offer Period ends 7 April 2017, unless extended**

## Transaction highlights

- **The offer is an all-cash public offer for the issued and outstanding ordinary shares in the capital of Delta Lloyd at an offer price of EUR 5.40 (cum dividend) per ordinary share, representing a total consideration of EUR 2.5 billion**
- **Offer is supported and recommended by the Delta Lloyd Executive Board and the Delta Lloyd Supervisory Board**
- **Positive advice has been obtained from both the NN Group and Delta Lloyd Works Councils**
- **Offer Period during which Shares may be tendered pursuant to the Offer will commence at 09:00 hours, CET, on 3 February and will expire at 17:40 hours, CET, on 7 April 2017, unless extended**
- **Delta Lloyd will hold an extraordinary general meeting of Shareholders at 10:30 hours, CET, on 29 March 2017, during which, amongst other matters, the Offer will be discussed. Immediately following the meeting, Delta Lloyd will hold a second EGM to resolve upon the Legal Merger**
- **The Offer is subject to the satisfaction or waiver of the Offer Conditions as set out in the Offer Memorandum**
- **The Offer is subject to a minimum acceptance level of 95% of the Shares. The minimum acceptance level is lowered to 67% if the Legal Merger is approved at the Delta Lloyd EGM**
- **The Offer is expected to be completed in the second quarter of 2017**

With the publication of the Offer Memorandum today, and with reference to the joint press release of NN Group and Delta Lloyd dated 23 December 2016, NN Group and Delta Lloyd jointly announce that NN Group Bidco B.V., a directly wholly-owned subsidiary of NN Group ('the Offeror') is making a recommended public cash offer to all holders of issued and outstanding ordinary shares in the capital of Delta Lloyd (the 'Shares') to acquire their Shares at a price of EUR 5.40 (cum dividend) in cash (the 'Offer Price') for each Share (the 'Offer').

Lard Friese, CEO of NN Group: 'With the launch of the offer today, we are one step closer to bringing together two leading insurance, banking and asset management companies and strengthen our positions in the Netherlands and Belgium. The combination is anticipated to create value for shareholders and will

drive further improvement in customer service and experience. We recognise that combining our businesses will require significant effort from all of us, but it will also lead to enhanced opportunities. We are pleased with the support and recommendation of the Delta Lloyd Boards and are convinced that the offer is in the interests of both companies' stakeholders.'

Hans van der Noordaa, CEO of Delta Lloyd: 'We believe a combination of NN Group and Delta Lloyd is in the long term interest of our stakeholders including our shareholders. The offer provides a certain cash premium for our shareholders. Therefore the Delta Lloyd Boards recommend to the shareholders of Delta Lloyd to accept the offer and to tender their shares pursuant to the offer. The combined company will be a leading insurance and pension company in the Dutch market, with strong presence in Belgium and an attractive proposition in asset management and banking. Our customers will benefit from the solid capital position, customer focus and excellent capabilities for innovation and product development this combination will bring. Unfortunately, the well respected and strong Delta Lloyd brand will cease to exist and the combination of the two companies will result in uncertainty for employees. We will do everything we can to provide them with a new perspective and opportunities within the new company or elsewhere.'

### **The Offer**

The Offeror is making the Offer on the terms and subject to the conditions and restrictions contained in the offer memorandum dated 2 February 2017 (the 'Offer Memorandum'). Subject to the Offer being declared unconditional (*gestanddoening*), holders of Shares (the 'Shareholders') tendering their Shares under the Offer will receive the Offer Price in consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror).

If, between the date of the Offer Memorandum and the Settlement Date, Delta Lloyd, by any means whatsoever, declares any cash or share dividend or other distribution and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date, then the Offer Price will be reduced by the full amount of such distribution made by Delta Lloyd in respect of each Share (before any applicable withholding tax). For the avoidance of doubt, the interim dividend of EUR 0.10 (ten euro cent) per Share declared by Delta Lloyd and paid on 8 September 2016 will not be deducted from the Offer Price.

The Offer values 100% of the Shares of Delta Lloyd at EUR 2.5 billion. The Offer Price represents a premium of approximately 31% over the closing price of EUR 4.12 per Share on 4 October 2016, the last trading day before NN Group initially announced its intention to make an offer for Delta Lloyd. Furthermore it represents a premium of approximately 38% relative to the average closing price during the last month and a premium of approximately 55% relative to the average closing price during the last three months prior to the initial announcement.

As previously announced on 23 December 2016, NN Group will be able to pay the consideration of the Offer for an amount of EUR 1.4 billion with cash from its own available resources. For the remainder, NN Group has, subject to customary conditions, committed debt financing made available to it from reputable global financial institutions.

### **Strategic rationale**

NN Group and Delta Lloyd believe that a combination of Delta Lloyd and the Dutch and Belgian activities of NN Group (the 'Combined Group') is compelling. The Offer and all transactions contemplated therewith (the 'Transaction') will result in an overall stronger platform within the Benelux from which to provide enhanced customer propositions and generate shareholder return:

- Additional scale and capabilities will result in an improved customer proposition within the Dutch pension market;
- Doubling the size of the non-life insurance business will drive underwriting results and customer experience;
- The integration of two leading asset management businesses creates additional scale and expertise;

- Increased size and scale of the banking business, thereby improving the competitive offering to existing and new customers;
- Doubling the presence in Belgium, leading to a strong life insurance market share with a more diversified offering through additional channels.

The Combined Group will be better placed to capture opportunities that technological innovation brings and will provide increased possibilities for knowledge sharing, strengthening capabilities and talent development. It will bring a perspective of growth and lead to opportunities for employees of both companies and will facilitate continuous improvement in customer service and experience.

### **Synergies and cash generation**

The Offeror currently estimates cost synergies which will reduce the annual cost base by approximately EUR 150 million pre-tax, expected to be achieved by 2020. This is anticipated to occur in a range of areas including:

- Integration of operational and supporting activities in Life and Non-life, including commercial migration
- Full integration of Bank & Asset Management
- Removal of overlap in centralised functions
- Reduction in project spend

The Offeror estimates that approximately half of the cost synergies will be realised in the Life and Non-life segments, while efficiency improvements in the Bank & Asset Management businesses will account for approximately 30% of expected cost synergies. The remainder of cost synergies is expected to be achieved in centralised functions and other segments.

Based on its due diligence, NN Group believes that there will be some initial capital synergies from the combination (stemming mainly from diversification benefits) but also expects meaningful negative impacts from the alignment of actuarial assumptions under NN Group ownership. Over time, NN Group sees potential for further capital synergies, the transition of Delta Lloyd's legal entities onto the NN Group Partial Internal Model, but also the removal of the longevity hedge benefit currently included in Delta Lloyd's standard formula approach. NN Group will provide additional information on potential cost and capital synergies in due course.

### **Recommendation by Delta Lloyd's Executive Board and Supervisory Board**

After due and careful consideration, both the Delta Lloyd Executive Board and the Delta Lloyd Supervisory Board are of the opinion that the Offer is in the best interest of Delta Lloyd and its stakeholders. As is further set out in Delta Lloyd's position statement (the 'Position Statement'), published by Delta Lloyd today, the Delta Lloyd Executive Board and Delta Lloyd Supervisory Board support the Offer and the Legal Merger, recommend to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer, and recommend voting in favour of all Offer EGM Resolutions and the Legal Merger Resolution.

On 23 December 2016, Goldman Sachs issued a fairness opinion to the Delta Lloyd Executive Board and Supervisory Board, and on 22 December 2016 Bank of America Merrill Lynch issued a fairness opinion to the Delta Lloyd Supervisory Board, in each case as to the fairness, as of such date, and based upon and subject to the factors and assumptions set forth in each fairness opinion, that the EUR 5.40 in cash to be paid pursuant to the Offer or the Exchange Ratio of NN Group shares to be issued in connection with the Legal Merger, as applicable, to the holders of Shares, collectively, is fair from a financial point of view to such holders.

The full text of these fairness opinions is included in the Position Statement. The opinions of Goldman Sachs and Bank of America Merrill Lynch are given to (i) the Delta Lloyd Executive Board and the Delta Lloyd Supervisory Board and (ii) the Delta Lloyd Supervisory Board, respectively, and not to the Shareholders. As such, the fairness opinions do not contain a recommendation to the Shareholders as to

whether they should tender their Shares under the Offer or how they should vote or act with respect to the Legal Merger or any other matter.

### **Further undertakings**

NN Group and Delta Lloyd have agreed to certain covenants in respect of corporate governance, post-closing legal merger, strategy, organisation, integration and employees for a duration of three years after settlement (the 'Non-Financial Covenants').

#### *Delta Lloyd Executive Board*

As of the Settlement Date, Mr Abrahams, Ms Mijer and Mr van Riet shall continue to serve on the Delta Lloyd Executive Board and will remain in office for as long as appropriate. In addition, two additional members identified by the Offeror, being Mr Knibbe and Ms van Vredenburg, will, subject to the Offer having been declared unconditional and completion of the applicable formal corporate procedures, be appointed to the Delta Lloyd Executive Board by the Delta Lloyd Supervisory Board as of the Settlement Date. Furthermore, subject to the Offer having been declared unconditional, Mr Knibbe will be the CEO of Delta Lloyd as of the Settlement Date. The Delta Lloyd Works Council supports the nomination of these new members of the Executive Board. Their appointment has been approved by the Dutch Central Bank (DNB) and the AFM.

When members of the Delta Lloyd Executive Board leave office, the Offeror will respect the agreed notice period as well as the existing severance arrangements. In line with the Dutch Corporate Governance Code the existing severance arrangements provide for a severance payment of no more than one year's salary.

Mr Van der Noordaa will, subject to the Offer having been declared unconditional and effective as per the Settlement Date, resign as member of the Delta Lloyd Executive Board. In connection with his resignation Mr Van der Noordaa will receive a severance payment of EUR 950,000, which amount is, in line with the Dutch Corporate Governance Code, no more than one year's salary.

#### *Delta Lloyd Supervisory Board*

Subject to the Offer being declared unconditional and the relevant resolutions having been adopted at the Offer EGM, the Delta Lloyd Supervisory Board will as of the Settlement Date consist of Mr Friese, Mr Rueda and Mr Erasmus, Mr Ruijter and Ms Streit. Mr Ruijter and Ms Streit (the 'Continuing Members') shall qualify as independent within the Dutch Corporate Governance Code. Mr Ruijter shall continue to be the chairman of the Delta Lloyd Supervisory Board. The Delta Lloyd Executive Board and the Delta Lloyd Works Council support the nominations. The Delta Lloyd Works Council has selected Mr Ruijter to qualify as member of the Delta Lloyd Supervisory Board appointed pursuant to its enhanced right of recommendation as from the Settlement Date. It follows that the enhanced right of recommendation of the Delta Lloyd Works Council does not apply to the vacancies for which Mr Friese, Mr Rueda and Mr Erasmus have been nominated for appointment. The appointment of Mr Friese, Mr Rueda and Mr Erasmus has been approved by DNB and the AFM.

The Continuing Members will continue to serve on the Delta Lloyd Supervisory Board, or, should the Delta Lloyd Supervisory Board no longer exist, be appointed to the NN Group Supervisory Board, for the duration of the Non-Financial Covenants. In their position as members of the Delta Lloyd Supervisory Board or the NN Group Supervisory Board, as the case may be, the Continuing Members shall monitor and protect the interests of all Delta Lloyd's stakeholders, including, in particular, monitoring the Non-Financial Covenants and, when material transactions between Delta Lloyd and NN Group or an Affiliate of NN Group are considered, the fair treatment of minority shareholders of Delta Lloyd (if any).

#### *NN Group Executive Board and the NN Group Management Board*

Except as described above, the NN Group Executive Board and the NN Group Management Board will not change following the Settlement Date.

#### *Strategy, integration and organisation*

After the Settlement Date, NN Group and Delta Lloyd intend to integrate and align their operations in The Netherlands and Belgium (the 'Benelux Operations') to fully benefit from their combined reach, scale and

resources, in order to provide a compelling platform, maximise the potential of the two businesses and enhance the capabilities of the Combined Group to service customers.

The integration will be led by the NN Group Management Board, determining the parameters for integration and supervising the operational working groups. The integration process will be executed in a fair, balanced and timely manner, respecting the talents and strengths of people in both organisations. In this respect, senior representatives of both NN Group and Delta Lloyd will be given a role in preparing the transitional plans and monitoring implementation at the level of the operational working groups.

In order to safeguard the process, a transition committee has been established consisting of three members, being Mr Friese, Mr Holsboer and Mr Van der Noordaa. Following the Settlement Date Mr Ruijter will succeed Mr Van der Noordaa. The Transition Committee will supervise, monitor and advise on the fairness of the integration process. Following the Settlement Date, the Transition Committee will continue to be in place until completion of the integration.

NN Group and Delta Lloyd will strive to realise the synergies of the Transaction as soon as reasonably possible after Settlement. The Delta Lloyd Boards subscribe to the joint strategic vision underlying the Transaction.

### *Employees*

NN Group values the experience and expertise of Delta Lloyd's employees which will help further shape the future success of the Combined Group. NN Group will respect any and all existing rights and benefits of employees of Delta Lloyd, including existing social plans, profit sharing schemes, covenants (including covenants with the Delta Lloyd works council) and collective labour agreements (including the employee benefits included in the terms thereof), as well as the terms of the individual employment agreements between Delta Lloyd and its employees for the agreed duration of these arrangements and agreements or, if earlier, until new plans and/or agreements will be in place amending these rights.

Following the Settlement Date, the nomination, selection and appointment of staff for functions within the Combined Group will, subject to applicable law and regulation, be based on the 'best person for the job' principle, or, where not feasible or appropriate, on a non-discriminatory, fair and business-oriented transparent set of criteria.

The integration of the businesses of Delta Lloyd and NN Group may have potential consequences for the employees of the Benelux Operations. Delta Lloyd and NN Group shall put in place appropriate arrangements dealing with the impact of integration for employees with due care and respect and shall honour the redundancy arrangements, social plans and applicable contractual arrangements already made or to be made with the relevant employees and/or their representatives.

To the extent required pursuant to existing or future social plans and/or redundancy plans, Delta Lloyd and NN Group will ensure that any vacancies that arise during the integration phase within the Combined Group and within the same geographical area are first offered to employees of the Combined Group who have or would have become redundant in connection with the Offer and the contemplated transactions, subject to such employees having the relevant skills and experience and in line with the applicable rules and regulations.

Delta Lloyd and NN Group shall offer outplacement services to any employees of the Combined Group that become redundant in connection with the Offer and the contemplated transactions, to the extent required pursuant to existing or future social plans and/or redundancy plans.

### *Brands*

The brands of NN Group shall be used as the brands for the Combined Group. The brand "Delta Lloyd" shall no longer be actively marketed or used for commercial activities and is expected to be gradually and prudently phased out over time. The brands 'OHRA' and 'BeFrank' shall be maintained and the Combined Group supports the continued use of the brand of ABN AMRO by the ABN AMRO joint venture. The Combined Group intends to continue NN Group's APF brand ('De Nationale') and to discontinue Delta Lloyds's APF brand.

### *Location*

The head offices shall be combined at NN Group's head office in The Hague. Delta Lloyd's location in Amsterdam shall be maintained for a period of at least three years following the Settlement Date, for insurance activities, provided this will not hinder the implementation of the integration plan. The Combined Group shall support the continued use by the ABN AMRO joint venture of its offices in Zwolle. Delta Lloyd's location in Arnhem (OHRA) shall be maintained, provided that the Combined Group shall retain the flexibility to combine its operations in Ede and Arnhem in one location in the Arnhem/Ede region.

### *Sustainability*

The Combined Group shall strive to be a leader in the field of sustainability, inspired by Delta Lloyds's current leadership in this field. The charity programme as conducted by the Delta Lloyd Foundation shall be continued.

### **Extraordinary general meetings of Shareholders of Delta Lloyd**

In accordance with Article 18, paragraph 1 of the Decree, Delta Lloyd shall convene an extraordinary general meeting of shareholders to discuss the Offer (the 'Offer EGM'). The Offer EGM shall be held at the Hilton Hotel, Apollolaan 138 in Amsterdam, the Netherlands on 29 March 2017 at 10:30 hours CET. At the Offer EGM, the Offer, among other matters, will be discussed in accordance with the Decree and certain resolutions will be proposed to the Delta Lloyd shareholders in connection with the Offer. In addition, solely for legal-technical reasons, a separate extraordinary general meeting of shareholders will be held on the same date as and immediately following the Offer EGM to resolve upon the Legal Merger.

The official convening notice with instructions for attending the meetings, the agenda with notes for the Offer EGM and the Legal Merger EGM (and explanatory notes thereto) and details on the intended appointment of Mr Knibbe and Ms Van Vredenburg to the Delta Lloyd Executive Board and the proposed appointment of Mr Friese, Mr Rueda and Mr Erasmus to the Delta Lloyd Supervisory Board and the proposed amendments of the Articles of Association are included in the Position Statement that is made available by Delta Lloyd as of today and are available on [www.deltalloyd.com](http://www.deltalloyd.com).

### **Works Council**

The Delta Lloyd Works Council and the NN Group Works Council have been informed regarding the Offer. On the basis thereof, the Delta Lloyd Works Council and the NN Group Works Council have given their positive advice in respect of the Offer on 1 February 2017 and 19 January 2017, respectively.

### **Competition Clearance**

The Offer is conditional on obtaining Competition Clearance. The Offeror anticipates submitting a merger notification with the European Commission on 10 February 2017. The Offeror shall use its reasonable best efforts to obtain Competition Clearance as soon as reasonably practicable.

### **Offer Period (*aanmeldingstermijn*)**

The Offer Period under the Offer will commence at 09:00 hours, CET, on 3 February 2017 and will expire at 17:40 hours, CET, on 7 April 2017, unless the Offeror extends the Offer Period, in which case the closing date shall be the date on which the extended Offer Period expires (such initial or postponed date, the 'Closing Date').

Shares tendered on or prior to the Closing Date may not be withdrawn, subject to the right of withdrawal of any tender of Shares during the Offer Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree. In case of extension of the Offer Period, any Shares previously tendered and not withdrawn will remain subject to the Offer.

### **Acceptance by Shareholders**

Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known through their bank or stockbroker no later than 17:40 hours, CET, on the Closing Date. The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Settlement Agent (ABN AMRO) in a timely manner. Accordingly, Shareholders holding Shares through a financial

intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in the Offer Memorandum.

Admitted Institutions may tender Shares for acceptance only to the Settlement Agent and only in writing. In submitting the acceptance, Admitted Institutions are required to declare that (i) they have the Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that (a) the Shares are being tendered in compliance with the restrictions set out in Sections 2 (Restrictions) and 3 (Important Information) of the Offer Memorandum and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the US government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the US "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended, and (iii) they undertake to transfer these Shares to the Offeror prior to or ultimately on the Settlement Date, provided that the Offer has been declared unconditional (*gestand wordt gedaan*).

#### **Declaring the Offer unconditional (*gestanddoening*)**

The Offer will be subject to the satisfaction or waiver of the Offer Conditions, as is set out in Section 6.7 (Offer Conditions, waiver and satisfaction) of the Offer Memorandum. The Offer Conditions may be waived, to the extent permitted by law or by agreement, as set out in Section 6.7 (Offer Conditions, waiver and satisfaction) of the Offer Memorandum.

One of the Offer Conditions is a minimum acceptance level of 95% of the Shares. This level is lowered to 67% if the shareholders, at the Legal Merger EGM, vote in favour of the Legal Merger.

No later than on the third (3rd) Business Day following the Closing Date, such date being the 'Unconditional Date', the Offeror will determine whether the Offer Conditions have been satisfied or waived. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional, (ii) the Offer will be extended in accordance with Article 15 of the Decree or (iii) the Offer is terminated as a result of the Offer Conditions not having been satisfied or waived, all in accordance with Article 16 of the Decree and the Merger Protocol. In the event that the Offer is not declared unconditional, the Offeror will explain such decision.

#### **Extension**

If one or more of the Offer Conditions is not satisfied or waived by the Closing Date in accordance with Section 6.7.2 (Waiver) of the Offer Memorandum, the Offeror may, subject to prior consultation with Delta Lloyd and in accordance with Article 15, paragraph 1 and paragraph 2 of the Decree, extend the Offer for a minimum period of two (2) weeks and a maximum period of ten (10) weeks in order to have such Offer Conditions satisfied or waived. If the Offer Condition relating to Competition Clearance set out in Section 6.7.4(b) (Offer Conditions, waiver and satisfaction) of the Offer Memorandum is not satisfied or waived or the Offer Condition relating to other regulatory approvals set out in Section 6.7.4(c) (Offer Conditions, waiver and satisfaction) of the Offer Memorandum is not satisfied or waived because the declaration of no objection from DNB, the National Bank of Belgium or the European Central Bank is not obtained on the initial Closing Date, the Offeror *must* extend the initial Offer Period until such time as the Offeror and Delta Lloyd reasonably believe is necessary to cause such Offer Condition to be satisfied.

Extension of the Offer Period may in any event occur once (extension for more than one period is subject to clearance of the AFM, which will only be given in exceptional circumstances). In case of such extension all references in the Offer Memorandum to 17:40 hours CET on the Closing Date shall, unless the context requires otherwise, be changed to the latest date and time to which the Offer Period has been so extended.

During an extension of the Offer Period, any Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered in accordance with Section 5.3 (Withdrawal Rights) of the Offer Memorandum.

**Post Closing Acceptance Period**

If and when the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will publicly announce, in accordance with Article 17 of the Decree, a Post Closing Acceptance Period to enable Shareholders who did not tender their Shares during the Offer Period to tender their Shares under the same terms and conditions applicable to the Offer.

**Settlement**

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and transferred (*geleverd*) their Shares for acceptance pursuant to the Offer on or prior to the Closing Date will receive the Offer Price in respect of each tendered Share within three (3) Business Days following the Unconditional Date.

**Liquidity, delisting, squeeze-out and Legal Merger**

NN Group's willingness to pay the Offer Price and pursue the transaction is predicated on the acquisition of 100% of the Shares. NN Group and Delta Lloyd anticipate that full integration of their companies will deliver substantial operational, commercial, organisational, financial and tax benefits, which could not, or only partially, be achieved if Delta Lloyd were to continue as standalone entity with minority shareholders.

*Liquidity*

The purchase of Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Shareholders and the number of Shares that might otherwise trade publicly.

*Delisting and squeeze-out*

If NN Group acquires at least 95% of the Shares, it is intended that Delta Lloyd's listings on Euronext Amsterdam and Euronext Brussels will be terminated as soon as possible. In addition, NN Group will commence statutory squeeze-out proceedings.

*Legal Merger*

If NN Group acquires less than 95% but at least 67% of the Shares, NN Group will, subject to the shareholders having approved the Legal Merger, be entitled to pursue a triangular legal merger of Delta Lloyd into the Offeror, whereby Shareholders will receive listed ordinary shares in NN Group ('NN Group Shares') (the 'Legal Merger'). In exchange for each Share, the owner of such Share will receive a fraction of one ordinary share of NN Group equal to the Offer Price per Share divided by the NN Group stock price on the last day prior to the date on which the notarial deed to establish the Legal Merger is executed (the 'Exchange Ratio').

Any NN Group Shares received pursuant to the Legal Merger have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the 'U.S. Securities Act'), and therefore, may not be distributed, sold or transferred in the absence of registration or an exemption from the registration requirements of the U.S. Securities Act. Any Shareholders located in the United States at the time of the Legal Merger will be required to make certain representations, warranties and undertakings in respect of their status as "qualified institutional buyers" within the meaning of Rule 144A under the U.S. Securities Act (the 'QIB Confirmations'), in order to receive the NN Group Shares on completion of the Legal Merger.

If a beneficiary to Shares located in the United States is unable to make the QIB Confirmations on behalf of itself or the person on whose behalf such Shares are held, any NN Group Shares allotted to such person will instead be transferred to a nominee, and such NN Group Shares will be sold on his, her or its behalf with the proceeds being remitted to such person within 5 days of the completion of the Legal Merger.

The Legal Merger will be subject to the approval of the general meeting of shareholders of Delta Lloyd. The Delta Lloyd Executive Board and Supervisory Board have approved and consented to the Legal Merger and recommend the Delta Lloyd shareholders to vote in favour of the Legal Merger.



## **Announcements**

Any further announcements in relation to the Offer will be issued by press release and, to the extent required, made public in Belgium by means of a supplement to the Offer Memorandum, in accordance with Article 17 of the Belgian Law on public takeover bids of 1 April 2007. Any press release issued by NN Group will be made available on NN Group's website ([www.nn-group.com](http://www.nn-group.com)) and any press release issued by Delta Lloyd will be made available on Delta Lloyd's website ([www.deltalloyd.com](http://www.deltalloyd.com)). Subject to any applicable requirements of the applicable rules and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described in the Offer Memorandum.

## **Indicative timetable (All times are CET)**

09:00 hours, 3 February 2017	Commencement of the Offer Period
10:30 hours, 29 March 2017	Offer EGM, at which meeting the Offer, among other matters, will be discussed and the Offer EGM Resolutions will be voted upon
Immediately following Offer EGM on 29 March 2017	Legal Merger EGM, at which the Legal Merger Resolution will be voted upon
17:40 hours, 7 April 2017	Closing Date
No later than three (3) Business Days after the Closing Date	Unconditional Date
No later than three (3) Business Days after the Unconditional Date	Settlement Date

Reference is made to Section 5.14 of the Offer memorandum.

## **Offer Memorandum, Position Statement and further information**

The Offeror is making the Offer on the terms and subject to the conditions and restrictions contained in the Offer Memorandum, dated 2 February 2017, which is available as of today. In addition, as of today, Delta Lloyd makes available the Position Statement, containing the information required by Article 18, paragraph 2, and Annex G of the Decree in connection with the Offer.

This announcement contains selected, condensed information regarding the Offer and does not replace the Offer Memorandum and/or the Position Statement. The information in this announcement is not complete and additional information is contained in the Offer Memorandum and the Position Statement.

Shareholders are advised to review the Offer Memorandum and the Position Statement in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the Offer and the content of the Offer Memorandum and the Position Statement. In addition, Shareholders may wish to consult with their tax advisors regarding the tax consequences of tendering their Shares under the Offer.

Digital copies of the Offer Memorandum are available on the websites of Delta Lloyd ([www.deltalloyd.com](http://www.deltalloyd.com)) and NN Group ([www.nn-group.com](http://www.nn-group.com)). Copies of the Offer Memorandum are also available free of charge at the offices of Delta Lloyd and the Settlement Agent at the addresses mentioned below. A digital copy of the Position Statement is available on the website of Delta Lloyd ([www.deltalloyd.com](http://www.deltalloyd.com)).

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1000 EA Amsterdam  
The Netherlands

### **Transaction advisors**

In connection with the transaction, the financial advisers of the NN Group Executive Board and the NN Group Supervisory Board are J.P. Morgan Limited (lead), ING Bank N.V., and Morgan Stanley, and NN Group's legal counsel is Freshfields Bruckhaus Deringer. Goldman Sachs International is acting as financial advisor to the Delta Lloyd Executive Board and the Delta Lloyd Supervisory Board, Bank of America Merrill Lynch is acting as financial advisor to the Delta Lloyd Supervisory Board, Delta Lloyd's legal counsel is Allen & Overy.

### **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 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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### **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).

### **Delta Lloyd profile**

Delta Lloyd offers products and services in insurance, pensions, investment and banking, serving 4.2 million commercial and retail clients in The Netherlands and Belgium. Our four brands are Delta Lloyd, ABN AMRO Insurance, BeFrank and OHRA. Delta Lloyd is listed on Euronext Amsterdam and Brussels, and included in the DJSI World and DJSI Europe.

### **Notice to US holders of Shares**

The Offer will be made for the issued and outstanding ordinary shares of Delta Lloyd N.V., a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States. The Offer will be made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the 'U.S. Exchange Act') and Regulation 14E promulgated thereunder, and the exemptions therefrom provided by Rule 14d-1(d), and otherwise in accordance with the requirements of Dutch and Belgium law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to withdrawal rights, the Offer timetable and settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares will generally be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax laws. Each holder of Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since the Offeror and Delta Lloyd are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, in accordance with normal Dutch practice, the Offeror and its Affiliates or brokers (acting as agents for the Offeror or its Affiliates, as applicable) may before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase, Shares outside of the United States, from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In addition, the financial advisors to the Offeror may engage in ordinary course trading activities in securities of Delta Lloyd, which may include purchases or arrangements to purchase such securities. To the extent required in The Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of NN Group at [www.nn-group.com](http://www.nn-group.com).

### **Restrictions**

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, NN Group and Delta Lloyd disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither NN Group, nor Delta Lloyd nor any of its advisors assumes any responsibility for any violation by any person of any of these restrictions. Any shareholder who is in any doubt as to its position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Canada or Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.

The information in the press release is not intended to be complete, for further information reference is made to the Offer Memorandum. 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. In addition, the Offer made pursuant to the Offer Memorandum is not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any

registration, approval or filing with any regulatory authority not expressly contemplated by the terms of the Offer Memorandum.

### **Forward-looking statements**

Certain statements in this press release may be considered "forward-looking statements", such as statements relating to the impact of the Offer on the Offeror, NN Group and Delta Lloyd and the expected timing and completion of the Offer. Forward-looking statements include those preceded by, followed by or that include the words may, anticipated, expected or similar expressions. These forward-looking statements speak only as of the date of this press release. Each of the Offeror, NN Group and Delta Lloyd, and any of their respective Affiliates, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions. Nevertheless, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond the Offeror's, NN Group's and Delta Lloyd's control, that could cause actual results to differ materially from historical experience or those results expressed or implied in these forward-looking statements. Potential risks and uncertainties include, but are not limited to, (i) the risk that required regulatory approvals may delay the Offer or result in the imposition of conditions that could have a material adverse effect on the Combined Group or cause the Offeror, NN Group and Delta Lloyd to abandon the Offer, (ii) the risk that the Offer Conditions may not be satisfied, (iii) risks relating to NN Group's ability to successfully operate Delta Lloyd without disruption to its other business activities, which may result in the Combined Group not operating as effectively and efficiently as expected, (iv) the possibility that the Offer may involve unexpected costs, unexpected liabilities or unexpected delays, (v) the risk that the businesses of the Offeror, NN Group and Delta Lloyd may suffer as a result of uncertainty surrounding the Offer, (vi) the effects of competition (in particular the response to the Transaction in the marketplace) and competitive developments or risks inherent to NN Group's or Delta Lloyd's business plans, (vii) the risk that disruptions from the Transaction will harm relationships with customers, employees and suppliers, (viii) political, economic or legal changes in the markets and environments in which NN Group and/or Delta Lloyd does business, (ix) economic conditions in the global markets in which NN Group and Delta Lloyd operate, (x) uncertainties, risk and volatility in financial markets affecting the Offeror, NN Group and/or Delta Lloyd, and (xi) other factors that can be found in NN Group's and its subsidiaries' and Delta Lloyd's press releases and public filings.

Neither the Offeror, NN Group nor Delta Lloyd, nor any of their respective Affiliates and advisors, accepts any responsibility for any financial information contained in the Offer Memorandum relating to the business, results of operations or financial condition of the other or their respective groups. Each of the Offeror, NN Group and Delta Lloyd expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based except as required by applicable laws and regulations or by any competent regulatory authority.