

Fit for the future

Investor Day Delta Lloyd Group – 18 November 2013



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Today's agenda

11:00 – 12:15	<ul style="list-style-type: none">• Introduction• Strategy execution• Finance update• Q&A	Niek Hoek Niek Hoek Emiel Roozen
13:15 – 14:15	<ul style="list-style-type: none">• Risk Management• Return Management• Q&A	Theo Berg Alex Otto
14:30 – 15:45	<ul style="list-style-type: none">• Commercial strategy• Customer centricity• Operational strategy• Profitability• Q&A	Ingrid de Graaf Paul Medendorp Onno Verstegen Leon van Riet
15:45 – 16:00	<ul style="list-style-type: none">• Wrap up & Closing Remarks	Niek Hoek

1. Strategy & Finance

Strategy execution

Fit for the future



Niek Hoek – Chief Executive Officer

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What we will deliver today

Strategy & Finance

- **Niek Hoek** – Fit for the future
- **Emiel Roozen** – Capital generation

Risk & Return Management

- **Theo Berg** – Well positioned in an evolving capital environment
- **Alex Otto** – Long term track record of outperforming the benchmark

Improving strategic position for sustainable profitability

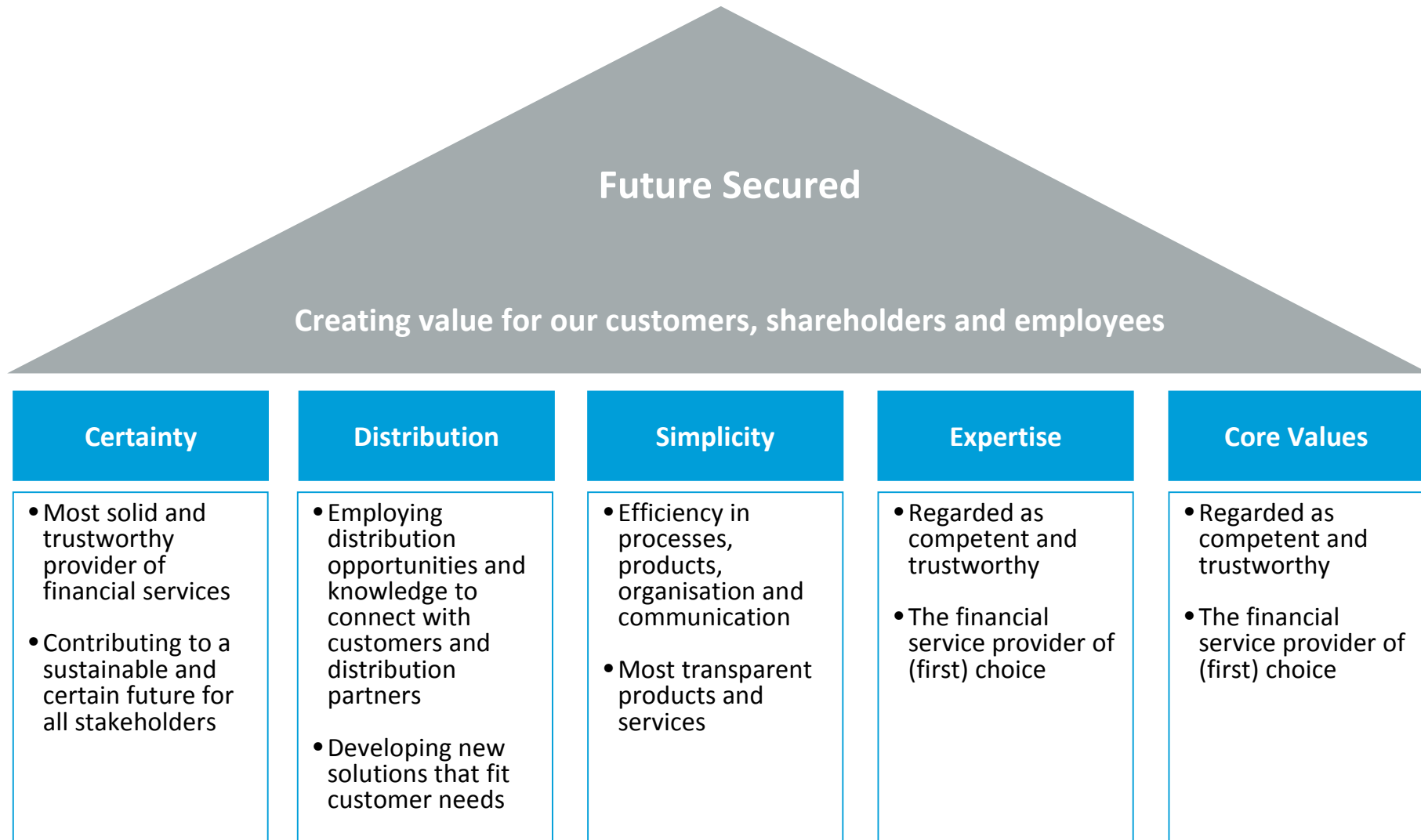
- **Ingrid de Graaf** – Unlocking growth potential
- **Paul Medendorp** – Amplifying customer satisfaction
- **Onno Verstegen** – Increasing efficiency
- **Leon van Riet** – Improving Life profitability

Note: all figures per 30 September 2013, unless stated otherwise



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Consistent strategy ...



... regularly reviewed

Today's business context

- Preliminary signs of an improving economy
- Increasing customer demands
- Changing regulatory framework



Tomorrow's strategy

- Scenario planning
 - *backcasting of plausible scenarios used to anticipate future business challenges*
- Business assessment
 - *SWOT analysis and agility assessment of all current business lines on short to medium term*

Certainty: **solid capital position**

Shareholders' Funds

- Shareholders' funds increased to €2.4bn on prudent marked-to-market accounting
 - *on traditional accounting 36% higher at €3.3bn*
- Shareholders' funds 84% hard and tangible capital

Financial strength

- IGD Group solvency further increased to 181% per end October
 - *French downgrade mitigated by strong capital generation*
 - *DL Levensverzekering at 228% per end October*
 - *aiming for 200% IGD Group solvency at year-end 2014*
- Solvency 1.5: pro forma calculations significantly exceed requirements for Dutch life insurers
- BIS ratio Bank NL increased to 14.4% (FY 2012: 12.3%)
- S&P ratings: "A" stable outlook for rated Dutch insurance subsidiaries

Distribution: leveraging multi channel strength

Strengthening distribution power

- Acquisition of ZA
- Multi channel distribution strategy mitigates impact of shift to fee based advisory model

Commercial agility

- Continued leadership in life new business with €329m NAPI
 - *very strong market share in annual premiums group life*
 - *3 new pension buy-out transactions YTD*
- General Insurance GWP stable at €1.1bn
- New mortgages up 36% to €778m (Q3 2012: €572m), banksparen balances continued to grow despite lower rates
- Inflow of retail funds and institutional mandates €409m

Simplicity: efficiency in processes, organisation and products

Processes

- Track record of sustainable cost savings
 - *30% cost reduction since 2008 while enhancing the business*
 - *approximately one year ahead of cost saving targets*
 - *new cost targets for 2014 (< €730m) and 2015 (< €700m)*

Organisation

- Actions taken to improve profitability of General Insurance and Bank
 - *non performing activities terminated*
 - *COR developed positively*
 - *higher interest margins and lower expenses for Bank*
- Intention announced to sell non-core Belgian banking activities
- Sale of Belgian GI activities to Fidea finalised

Products

- Innovative tariff system for mortgages favours lower risk profiles
- Focused on product simplification, tailored to customer needs

Expertise: prudent risk and return management

Robust position in uncertain markets

- Differing treatment of asset classes under Solvency II
 - *equity position decreased (- €0.5bn); mortgage portfolio increased (+ €1.1bn) with attractive margins and lower risk profile*
- Diversified fixed income portfolio with limited interest rate risk
- Marked-to-market real estate portfolio of €2.7bn

Solid performance of own risk asset portfolio

- Historical return own risk assets outperforms benchmark
 - *equity performance in line with market despite one-offs*
 - *good performance of FI portfolio*
 - *well matched*
- Running yield at 3.7%, well above unwind of liabilities

Core values: honourable, approachable, working together

Customers

- Leading the market in IG&H's annual review of Dutch market
 - *nr 1 position in pensions sustained*
 - *nr 1 position in commercial general insurance obtained*
- Improved customer satisfaction scores
 - *OHRA: 7.7 (2012: 7.6), Delta Lloyd: 7.6 (2012: 7.4), and ABN AMRO Insurance 7.1 (2012: 6.9)*
 - *health insurance contributes strongly*

Sustainability

- Threshold for DJSI Europe and DJSI World indices met
 - *score ranks among top 7 EU insurers*
- Ranked 2 out of 141 global insurance companies by Sustainalytics
 - *strong governance and transparency*

Improving performance on business objectives

H1 2013

Business performance	<ul style="list-style-type: none"> • Life new business value (EEV-based) €27m • Life new business internal rate of return \geq 9% 8%¹ • Combined ratio of 98% or better across the cycle 96.1%² 	
Cost savings	<ul style="list-style-type: none"> • Management cost base < €790m³ <ul style="list-style-type: none"> — FY 2014: < €30m (revised from €760m³) — FY 2015: < €700m 	€378m
Profitability	<ul style="list-style-type: none"> • Operational return on equity in range of 8-12% 18.2% • Annual growth of net operational result \geq 3% (5)% 	
Capital	<ul style="list-style-type: none"> • IGD Group solvency at least 160-175% 	165% ⁴

1. IRR per Q3 2013: 9%

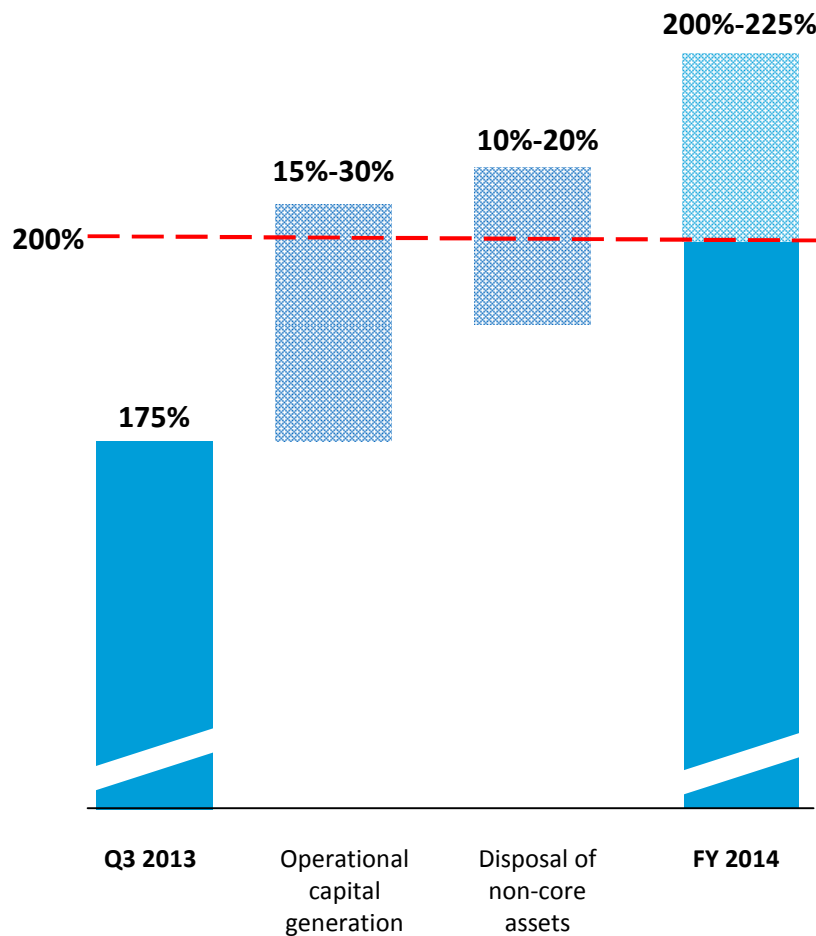
2. Excluding terminated and run-off activities and market interest movements

3. Full year cost target excludes the effects of the acquired ABN Amro Bank intermediary activities (2013: €20m)

4. Including effect of French downgrade (reported: 184%). IGD Group solvency per end October at 181%

Aiming for 200% IGD Group solvency by year-end 2014

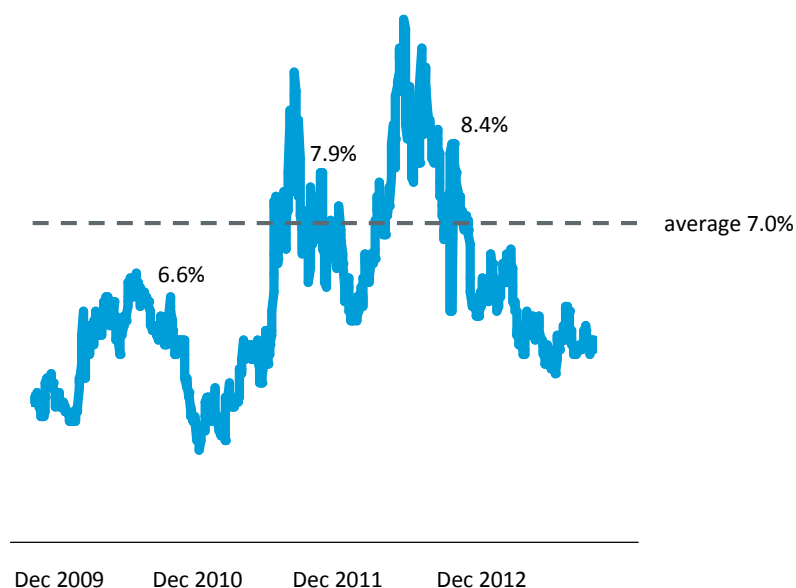
Estimated IGD Group solvency development



- Sufficiently capitalised from regulatory perspective
 - *IGD Group solvency at 181%, Delta Lloyd Levensverzekering at 228% per end October*
 - *Solvency 1.5 requirement for Dutch life insurers significantly exceeded*
- Increased solvency could have significant commercial and strategic benefits
 - *increased ability to write new business*
 - *additional strategic flexibility*
 - *higher earnings potential*
- Reviewing alternatives to improve solvency
 - *disposal of non-core activities*
 - *asset-side initiatives*
 - *scope for additional hybrid capacity*

Stable dividend

Dividend yield¹



Dividend policy

- Current dividend policy
 - *dividend pay out ratio of 40-45% of annual net operational result*
 - *IGD Group solvency of at least 160-175%*
 - *default option for stock dividend*
 - *4% premium on stock dividend above cash dividend*
- First priority to bring IGD Group solvency above 200%
 - *4% premium on stock dividend gradually reduced if IGD Group solvency exceeds 200% for two consecutive quarters*
 - *3% dividend per ordinary share growth target no longer applied*

1. Annual dividend payments per ordinary share divided by daily share price

Acquisition of ZA strengthens Belgian Life position

Profile

- Specialist in term life insurance
 - Annual GWP around €50m; 72 FTE
-

Rationale

- Strengthens ambition to become a leading player in Belgian life market
 - Strengthens distribution network in Belgium
 - Cross-sell opportunities
-

Transaction

- Transaction financed solvency neutral through issue of 4m ordinary shares
- Transaction expected to be completed in 2013

Sale of Delta Lloyd Bank Belgium intended

Profile

- Comprehensive range of products and services, including deposits, investment products and lending
- 171,000 customers, focus on middle and high-end segment individual customers
- Distribution network of 55 branches and 75 independent agents
- 570 FTE; total assets of €6.9bn (FY 2012)

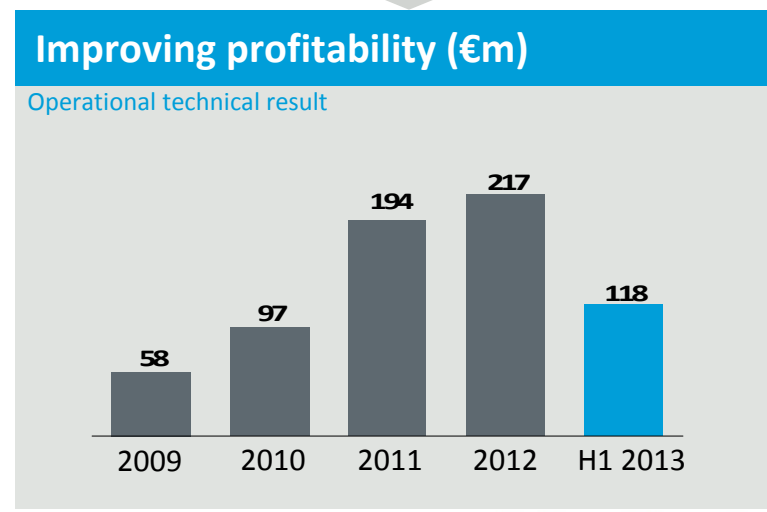
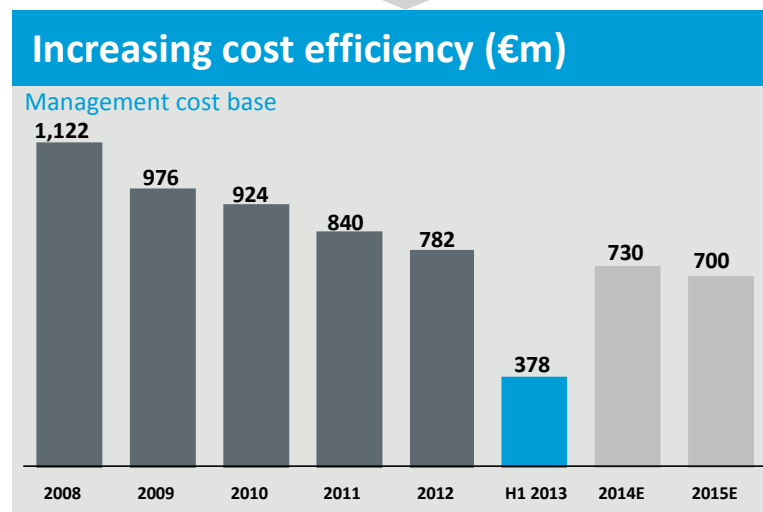
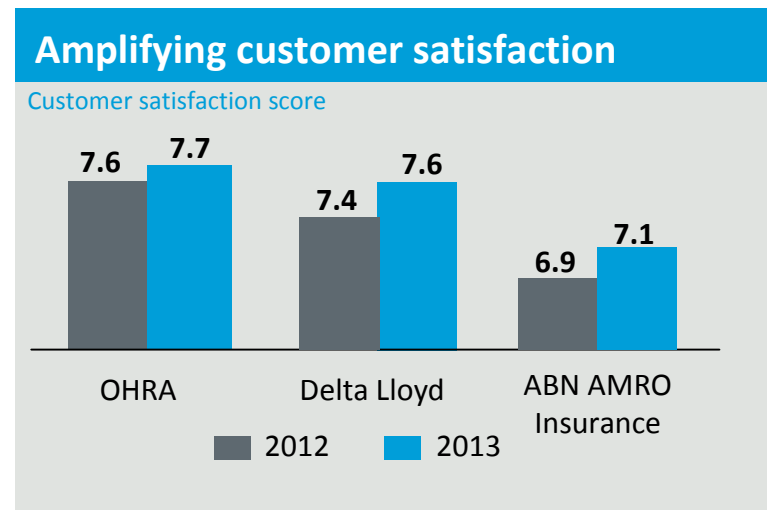
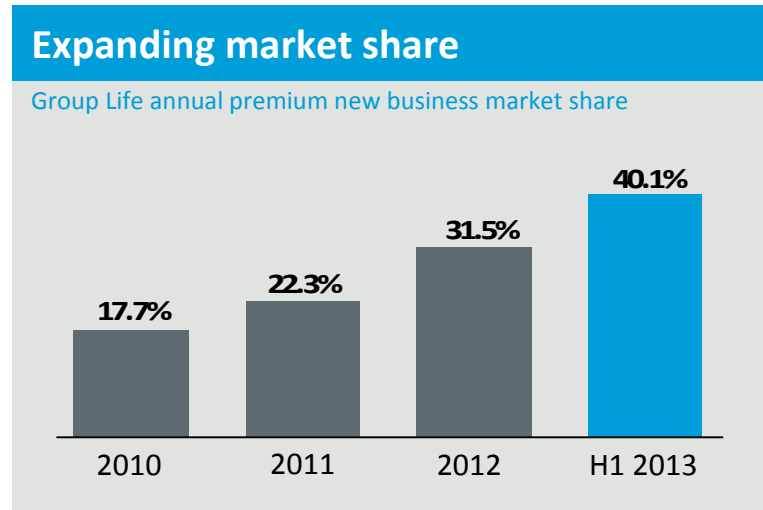
Rationale

- Potential sale of Delta Lloyd Bank Belgium will strengthen focus on insurance
- Transaction will unlock capital
- Aim for long-term distribution agreement for life insurance products

Transaction

- Sale process started 2 October 2013

Improving strategic position for sustainable profitability



Fit for the future

Reaffirmed market leadership in new business...

...and in customer performance

Approximately one year ahead of cost targets

Strong capital generation, aiming for 200% solvency per year-end 2014

1. Strategy & Finance

Finance update

Sound business management leads to stable capital generation



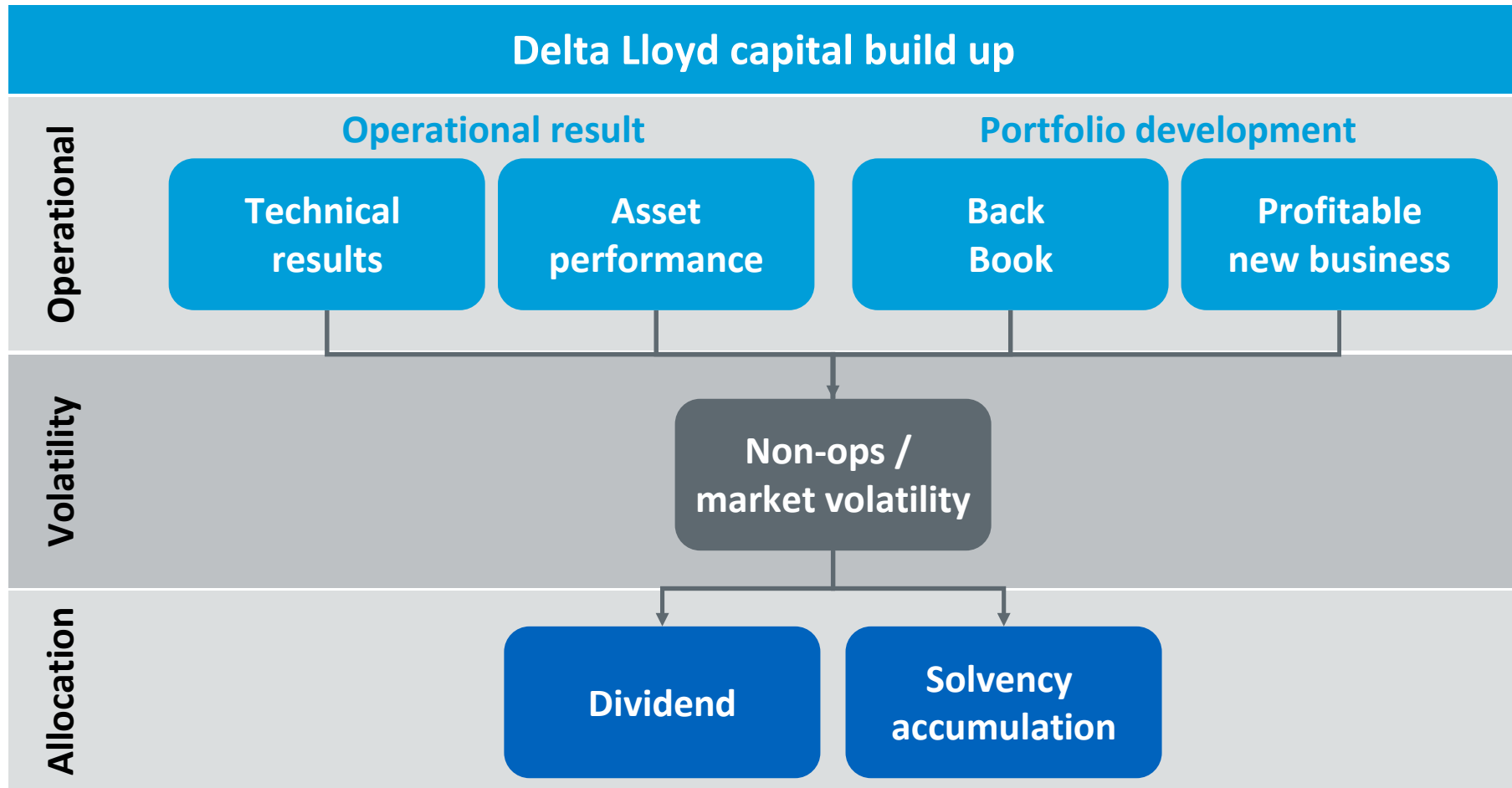
Emiel Roozen – Chief Financial and Risk Officer

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Building blocks to improve our capital base

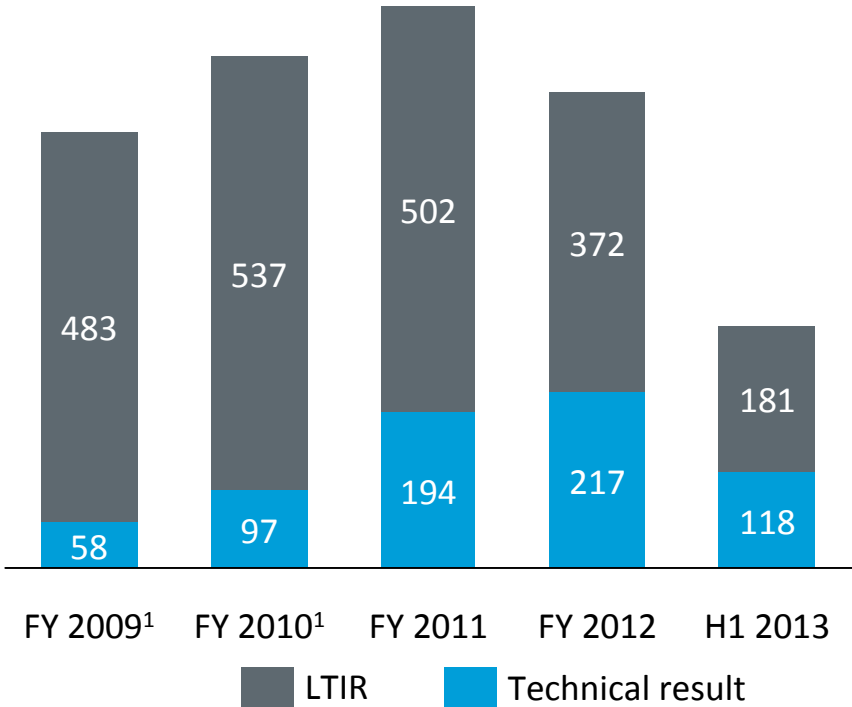
- 1 Technical results: operational results
- 2 Asset Performance: Long Term Investment Result
- 3 Back book: emergence of value in force
- 4 Profitable new business: investment in new business

Capital framework: from generation to allocation



Technical results: showing enhanced quality

Operational result before tax & minority (€m)

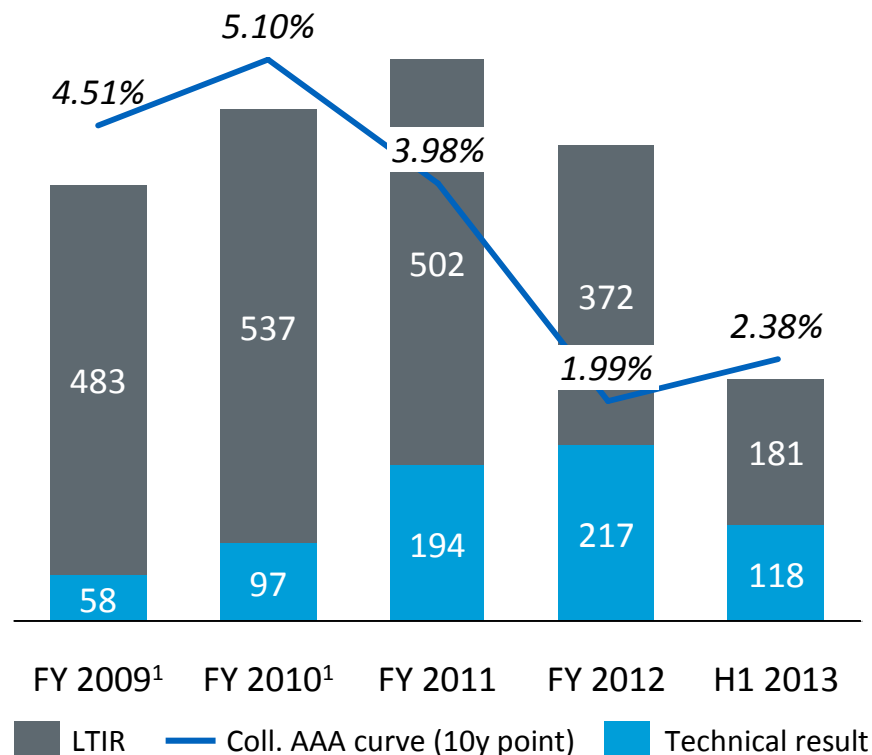


- Technical result increases from 11% to 39% of operational result, driven by:
 - *disciplined underwriting and pricing*
 - *ongoing focus on cost base*
- All operational segments contribute positively

1. As reported; includes curve-movement and run-off business in technical result and excludes risk premium on mortgages in LTIR

Asset performance: low interest rates impact normalised performance (LTIR)

Operational result before tax & minority (€m)



- LTIR hampered by low interest rate environment
 - Shareholders' funds impacted due to decreasing interest environment
 - also lagging effect as LTIR is calculated on average balance sheet value
- Lower equity exposure leads to lower risk premium earned

1. As reported; includes curve-movement and run-off business in technical result and excludes risk premium on mortgages in LTIR

Asset performance: assumed capital generation

Economic assumptions (total return)

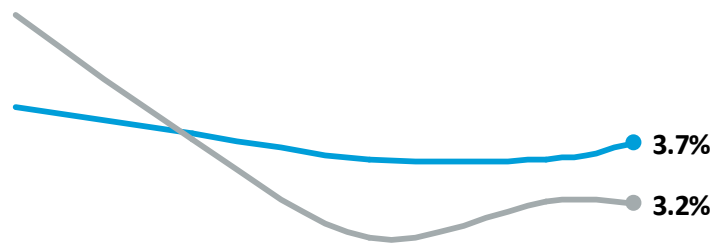
LTIR component	Parameter	Expected annual solvency generation
Shareholders' equity	2.38% ¹	~ 2pp
Equity risk premium	3.50%	~ 5pp
Property risk premium	2.00%	~ 1pp
Mortgages risk premium	0.80%	~ 1pp
Excess return on policyholders' assets	1) Life: 0.20% 2) GI: 2.38% ¹	~ 3pp
IGD solvency generation		~ 12pp

- Asset mix reflects illiquid liabilities
- LTIR well aligned with current market interest rate environment
- Economic assumptions consistent over the years
 - *current interest assumed to be proxy for future periods*

1. Collateralised AAA curve (H1 2013, 10-year point)

Asset performance: assumed LTIR in line with realised running yield

Running yield vs LTIR yield



- Relatively consistent over the years despite economic crises, reflecting the long-term nature of our business
- Running yield defined as fixed income (yield-to-maturity), equity (annual rate of return based on last years' dividends), property (annual rental income), mortgages (mortgage coupon rate divided by residual amount)

Dec 2011 Jun 2012 Dec 2012 Jun 2013 Sep 2013

— Running yield — LTIR yield

Back book: solid capital emergence & investment in new business

Embedded Value ¹	H1 2013 (€m)	Back book capital generation (years) ³ (€bn)	
Operational surplus generation:	229	1-5	1.5
Life in-force profits	214	6-10	1.6
New business strain ²	(42)	11-15	1.6
General Insurance profits	46	16-20	1.1
Bank & Asset Management	31	20+	2.5
Other	(19)	Total	8.3
Movement in capital requirement	(62)		
Life In-force	-		
New business strain	(51)		
General insurance	(13)		
Bank & Asset Management	20		
Operational Capital Generated	186		

1. On real world assumptions (SWAP + Risk Premiums in line with LTIR assumptions)
2. New business strain is the change in the net worth due to new business
3. On an undiscounted basis

Profitable new business: differentiation based on product characteristics

New Business Margin (NBM)

Measured on a market-consistent embedded value basis

SWAP + liquidity premium (QIS 5)¹

Excess asset returns are recognized when realized

IRR (EEV-based)

Measured on a European embedded value basis

Swap + real-world spread (risk premiums in line with LTIR assumptions)²

Expected returns are recognized immediately

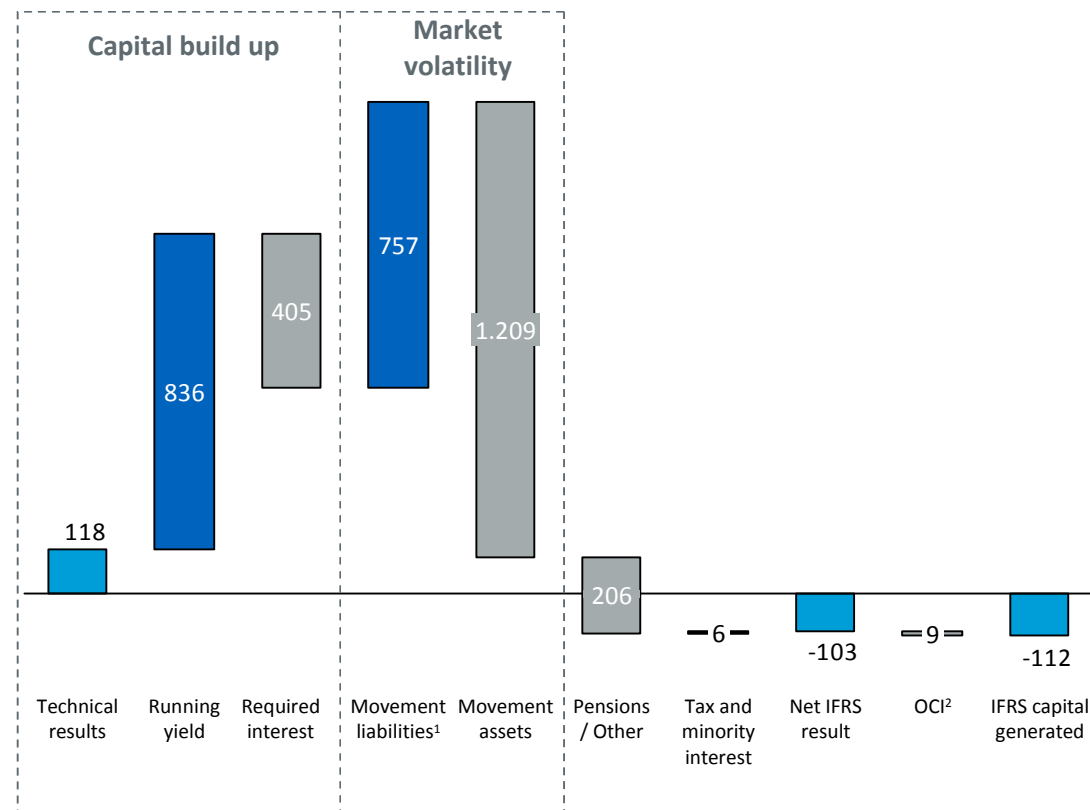
- Going forward next to our IRR disclosures we will give New Business Margin disclosures
 - *NBM better reflection for regular premium and DC business (limited capital upfront)*
 - *IRR better reflection to judge potential value of single premium contracts (return on new business strain)*

1. Liquidity premium 40bps at H1 2013

2. Real World Spread 99bps at H1 2013

Market volatility: H1 2013 IFRS revisited

IFRS capital generation impacted by spread movement (H1 2013, €m)

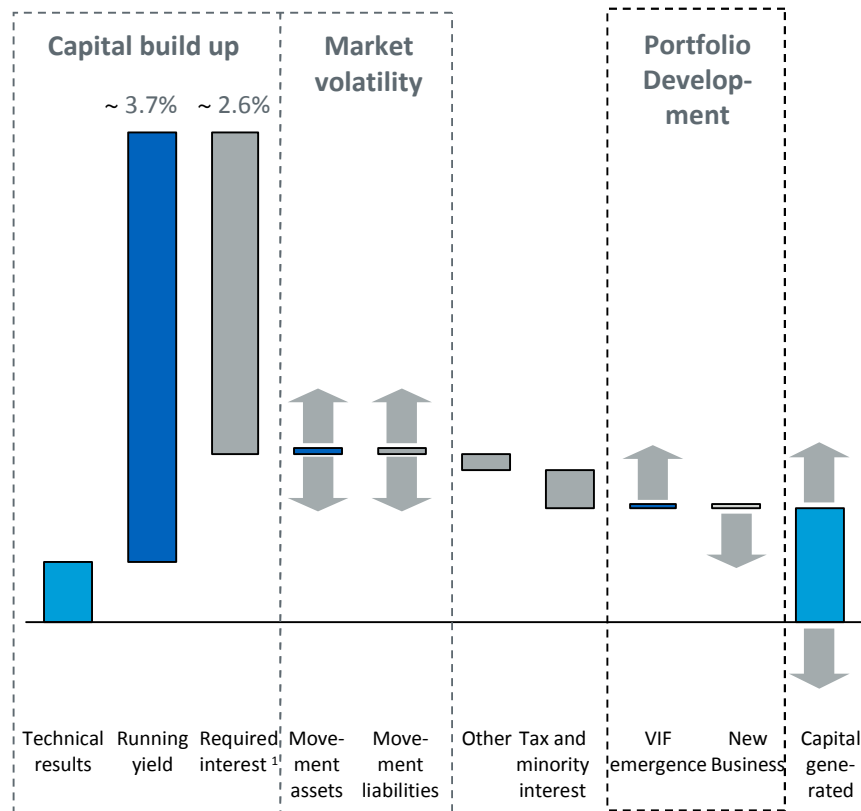


- Required interest based on 13y collateralised AAA spot rate per H1 2013 (2.7%)

1. Includes portfolio development
 2. Mainly movement of revaluation reserves and IAS 19R, excludes FNO conversion and dividend payout

Market volatility: impacts IGD capital generation

IGD Solvency expectation (ceteris paribus)

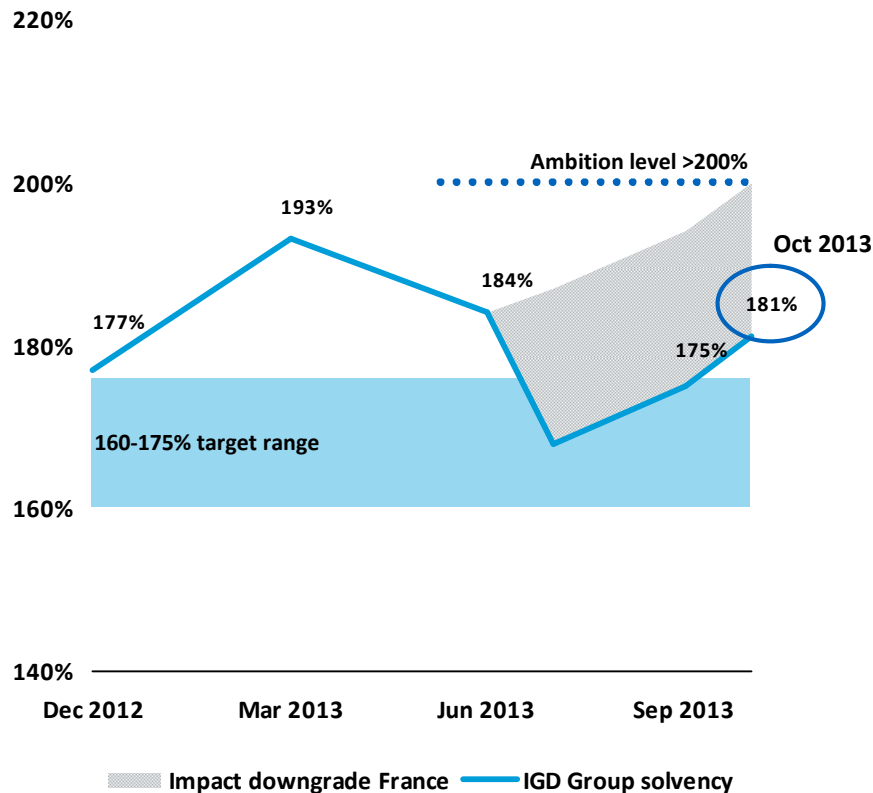


- Fixed income market value changes have limited sensitivity on parallel shift
- Other assets can have positive or negative contribution
- In H1 2013 incoming spread and market value changes had negative contribution, resulting in negative net IFRS result

1. ECB AAA curve, based on the average duration of the life liabilities (13 years)

Market volatility: also driven by non-economic events

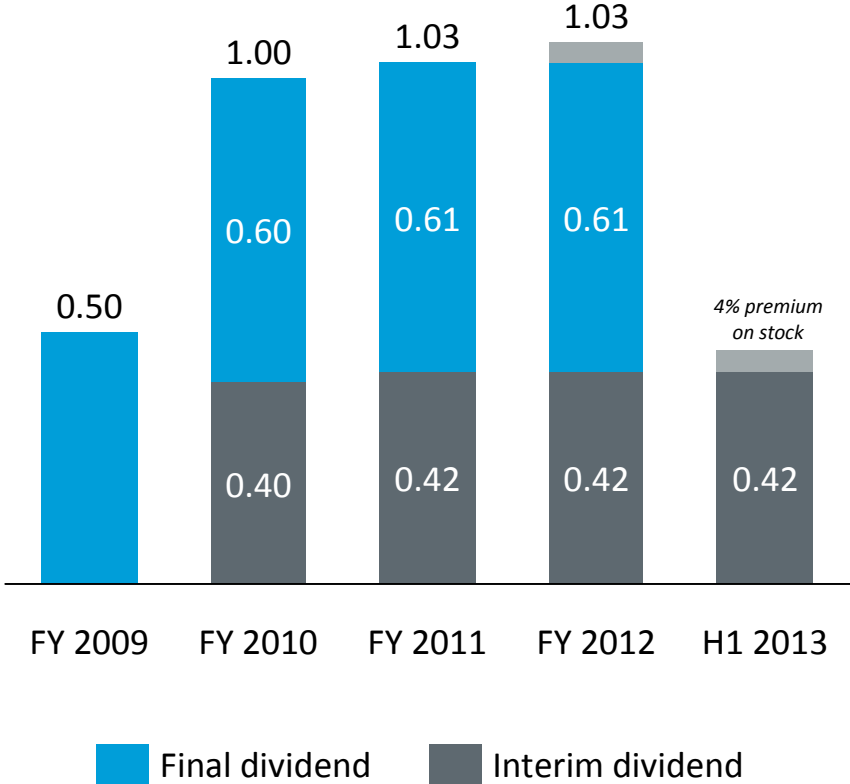
Impact downgrade France



- Non-economic, political factors can also have an impact
 - French downgrade decreased ECB AAA curve by around 20bps
 - combined effect on available capital of around €5bn for Dutch Insurers
 - impact on Group IGD ratio Delta Lloyd is equal to 19pp per 30 June 2013

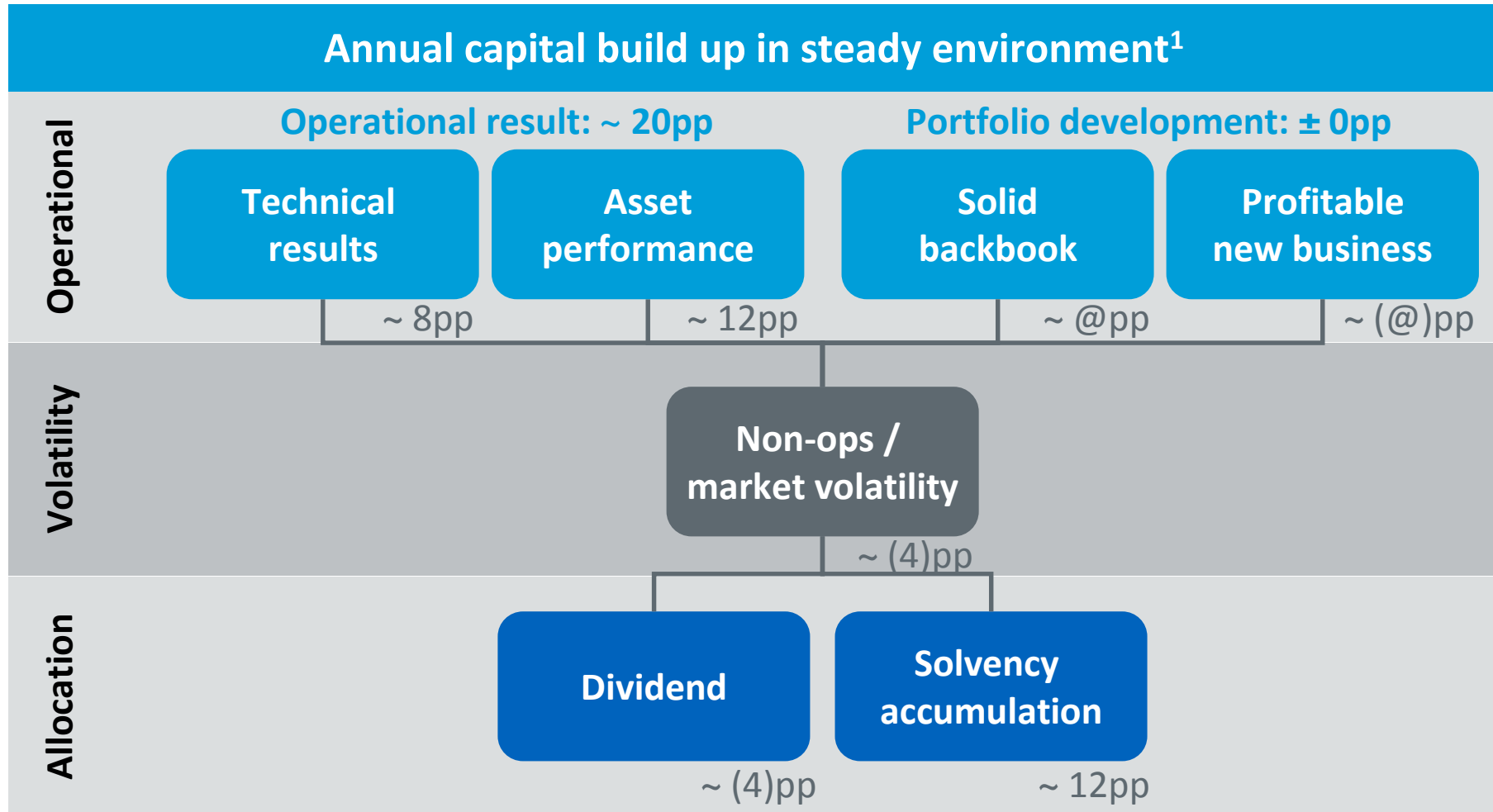
Allocation: stable dividend track record

Dividend pay out per ordinary share (€)



- Dividend remains well covered by operational result and operational capital generation
- Steady capital build up in volatile environment results in stable dividend

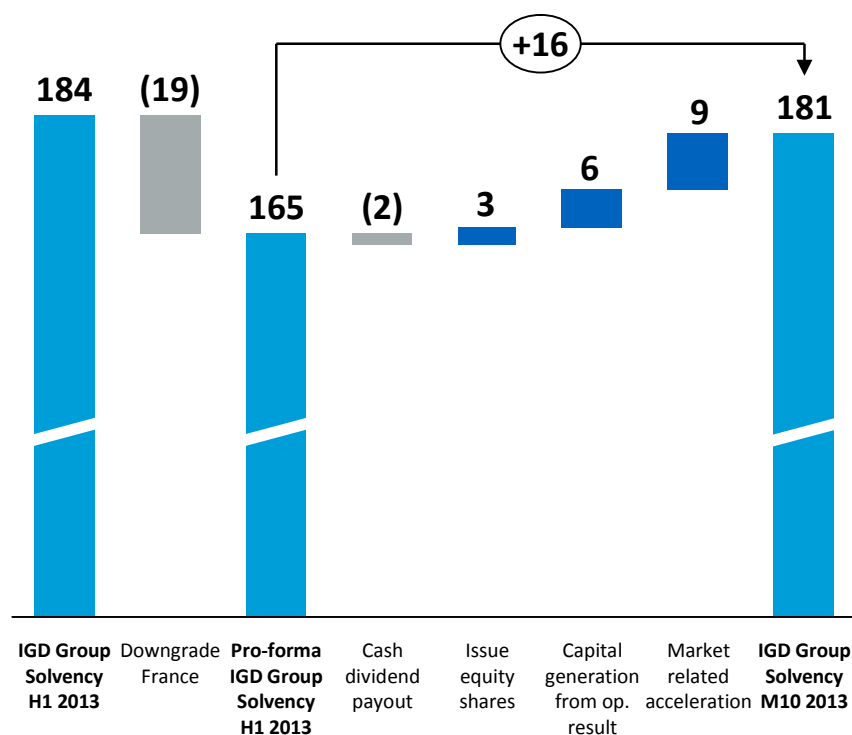
Capital framework: yielding 1-2pp IGD solvency per month in steady environment



1. Pro-forma schematic representation assumes a stable market environment (based on annualized H1 2013 operational result figures and excluding market volatility)

Capital framework: accelerated solvency buildup since H1 2013

Solvency accumulation visible since H1 2013 (%)



- 1-2% underlying IGD Group solvency per month, leading to 6pp increase
- Outperformance on capital generation due to favourable market volatility (i.e. equity market performance), leading to 9pp increase
- Temporary uplift due to financing of ZA with equity share issue

Fit for the future

Improved technical results reflect good underwriting and pricing, combined with cost discipline

Long-term investment yield captures return on assets on a consistent basis

Dividend remains well covered by operational result and operational capital generation

Capital framework yields 1-2pp IGD solvency per month in a steady environment

Q&A

Lunch

2. Risk & Return Management

Delta Lloyd Risk Management

Well positioned in an evolving capital environment



Theo Berg – Director Group Actuarial & Risk Management

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Changing capital regimes: status

Solvency I (current regime)

- Since beginning '70's Solvency I regime:
 - *legal framework, volume based required capital*
 - *Liability Adequacy Test ("LAT") in The Netherlands*
 - *Europe: cost-price +*



Solvency II (regime as from 1-1-2016)

- End '90's decision to move to new European framework
 - *market value based, risk weighted capitals*
 - *governance, risk management and information are other key elements of this system*



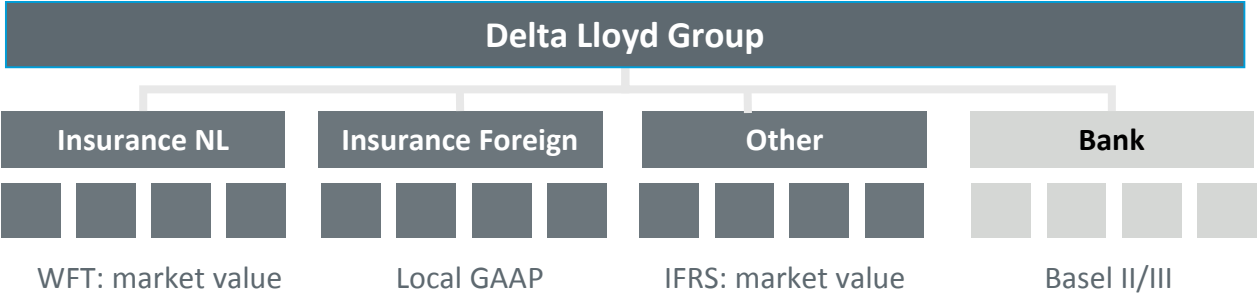
Solvency 1.5 (requirement for 2014-2015)

- 2013: DNB proposal for interim measures (Solvency 1.5)
 - *Theoretical Solvency Criterion ("TSC") for dividend payments of Dutch life insurance entities*
 - *Dutch ORSA ("ERB") included in regulatory returns*

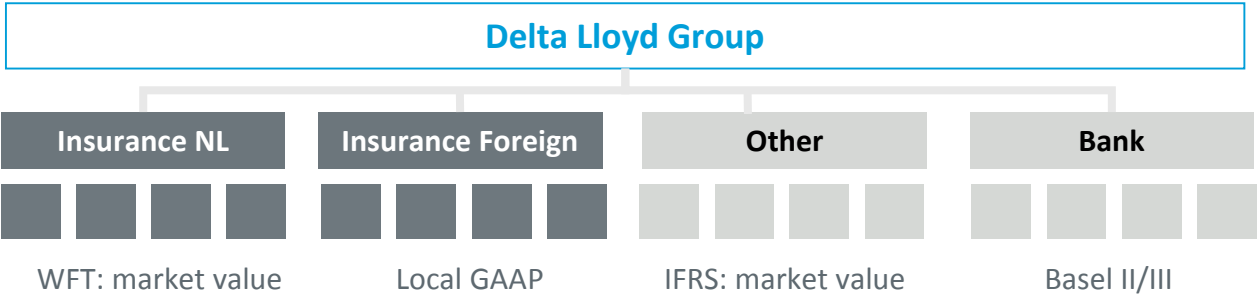


Solvency I: IGD Group solvency excludes Bank

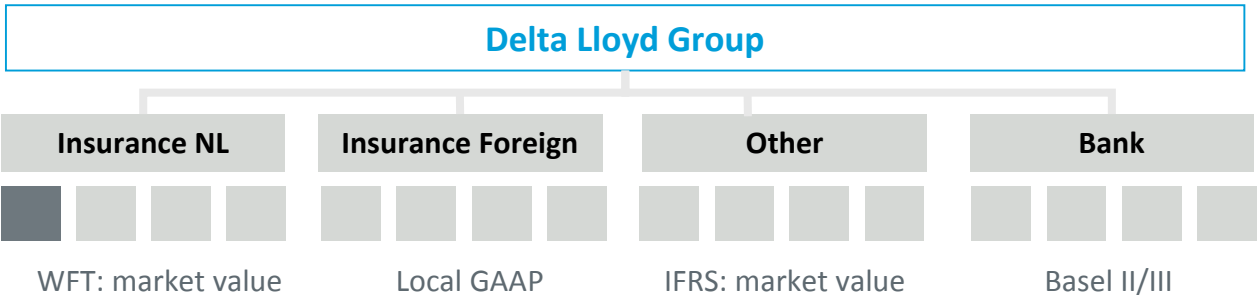
IGD Group solvency



Regulatory solvency insurance entities



Regulatory solvency Delta Lloyd Levensverzekering



Solvency I: limited exposure to interest rate movement

		Q3 2013	FY 2012		
	Sensitivity ¹	IGD ² Available capital effect	IGD Available capital effect	IGD Required capital effect	IGD ratio effect
Interest rate risk	+25 bps	(21)	(39)	(22)	1%
	-25 bps	19	44	23	(1%)
Credit risk ³	+50 bps	(223)	(288)		
	-50 bps	236	304		
Equity risk	+10%	115	155		
	-10%	(99)	(131)		
Property ³	+10%	142	142		
	-10%	(142)	(142)		

Only interest rate movements have material impact on Best Estimate Liabilities and hence required capital

1. Credit sensitivity shown as increase/decrease in credit spreads; equity and property market value sensitivities shown
2. IGD sensitivities after tax and based on local GAAP
3. FY 2012 credit spread sensitivities and property sensitivities have been restated

Introduction of Solvency II per 1-1-2016 within reach

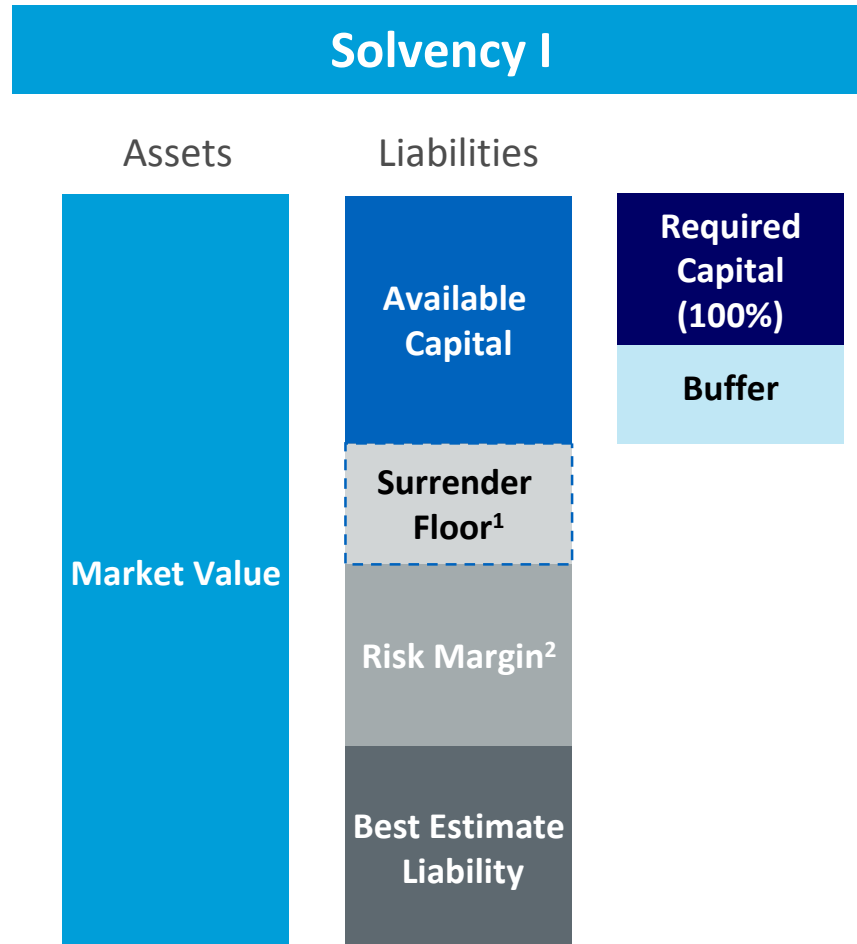
Provisional agreement

- Provisional agreement reached on 13 November 2013
— *formal approval by European Commission and plenary vote by European Parliament needed (expected to be held on 3 February 2014)*

Headlines

- Extrapolation methodology unchanged (i.e. last liquid point in year 20, and then 40 years to reach the UFR)
- Volatility Adjustment 65% of risk-adjusted spreads of reference portfolio
- Matching Adjustment for BBB bonds no longer capped: sub-BBB assets may be permitted temporarily
- Transitional measures of up to 16 years subject to regulatory approval

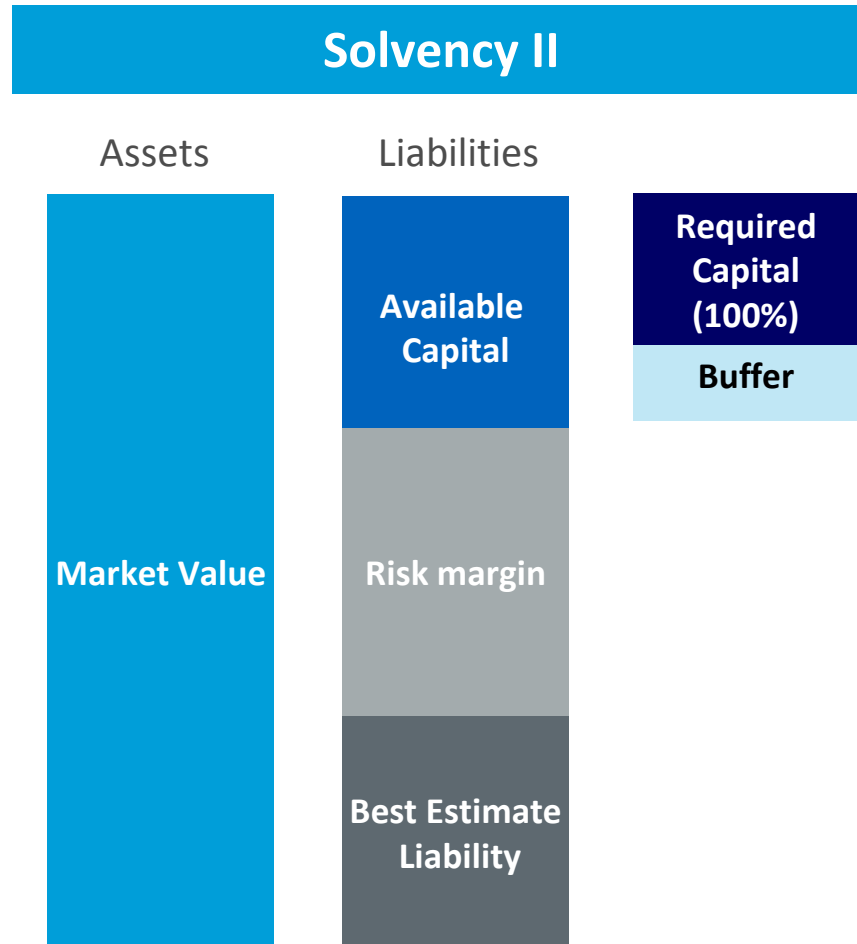
Build up of Solvency I capital



- Required capital
 - *volume based*
 - *4% of life reserves; 18% of general insurance premiums*
- Available capital:
 - Market value of assets (based on exit price)*
 - /- *Best Estimate Liability*
 - /- *Risk Margin*
 - /- *Surrender Floor*
- Available capital \neq embedded value
- Solvency ratio = $\frac{\text{Available capital}}{\text{Required capital}}$

1. *Safety margin against policyholders liquidating their assets*
 2. *Margin for uncertainty around Best Estimate Liability*

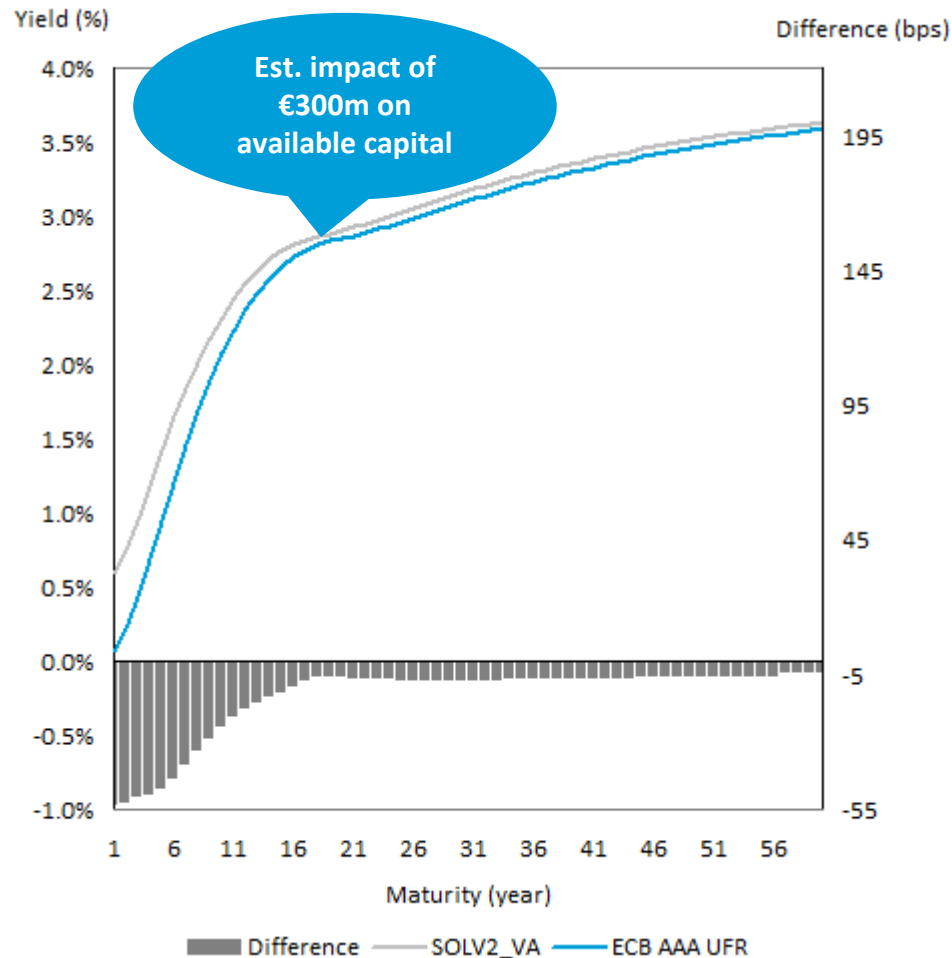
Build up of Solvency II capital



- Required capital
 - *risk based*
 - *based on 99.5% confidence interval*
 - *based on BBB level (100%)*
 - *buffer provides insight in credit standing above BBB level*
- Available capital:
 - Market value of assets (based on exit price)*
 - /- *Best Estimate Liability*
 - /- *Risk Margin*
- Surrender Floor included as available capital
- Available capital \neq embedded value
- Solvency ratio = $\frac{\text{Available capital}}{\text{Required capital}}$

Solvency 1.5 available capital: more onerous curve

Solvency II vs ECB AAA curve



- Solvency 1.5 curve leads to higher valuation of liabilities
 - *less surplus capital*
 - *Solvency I available capital used*
 - *Solvency II capital instruments not fully recognized*
- Solvency II based volatility adjustment leads to higher valuation curve (Matching Adjustment effect not taken into account)


Solvency 1.5 required capital anticipates Solvency II

Solvency II


- Risk based proposed standard formula
 - *onerous equity and real estate stress factors*
 - *longevity stress based on pan-European factor of 20% (Dutch mortality tables more prudent)*
 - *internal models allowed*

Solvency 1.5

- Solvency 1.5 deviations from proposed Solvency II standard formula
 - *mortgage and loans based on default risk, rather than spread risk, with special recognition of NHG mortgages*
 - *credit spread risks altered with 20bps to mitigate effect of movement from ECB AAA curve*
 - *scaling factor of 95% to reduce overall aggregated risk capital, leading to lower diversification benefit*
 - *single correlation matrix rather than separate matrices for market and insurance*
 - *internal models not allowed*
 - *lower yield curve*



*lower
required
capital*



*higher
required
capital*

Solvency I to Solvency II: from volume to risk based

Capital elements	Solvency I (current regime)	Solvency 1.5 (requirement for 2014-2015; <i>dutch life entities only</i>)	Solvency II (regime as from 1-1-2016)
Available Capital	<u>Excludes</u> future value of UL business (Surrender Floor)	<u>Excludes</u> future value of UL business	<u>Includes</u> future value of UL business
Liability valuation	ECB AAA/Swap Curve	ECB AAA/Swap Curve	Swap + Volatility Adjustment, or Matching Adjustment
Assets	Market value	Market value	Market value
Required Capital (SCR)	<u>Volume based</u> , 4% of life reserves, 18% of non-life premiums	<u>Risk based</u> , using Solvency II, with risk changes to mortgages and loans	<u>Risk based</u> , but possibility to use internal model to better reflect risks
Solvency Ratio (%)	Available / Required capital	Available / Required capital * scaling factor (0.95)	Available / Required capital

Well positioned in an evolving capital environment

Limited exposure to interest rate movements

Solvency II introduction per 1-1-2016

Dutch life companies significantly exceed Solvency 1.5 requirement

Prepared for future capital regimes

2. Risk & Return Management

Delta Lloyd Return Management

*Long term track record of
outperforming the benchmark*

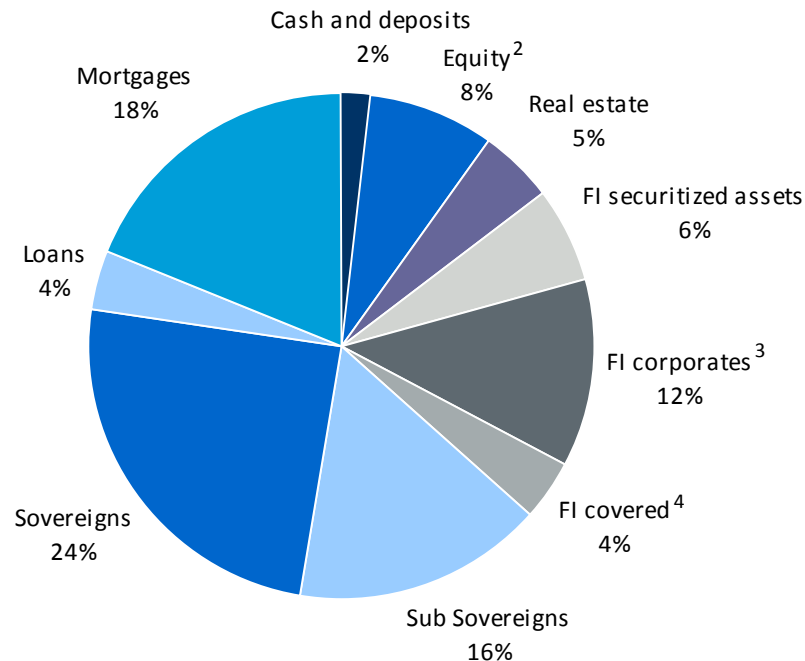


Alex Otto – Chief Investment Officer

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Diversified portfolio with a long term view

Own risk assets Q3 2013 = €49bn¹



- Diversified portfolio with a long term fundamental view
- Composition of asset portfolio slightly changed YTD
 - decrease in equity: €0.5bn
 - increase in mortgages: €1.1bn

1. Marked-to-market (mortgages and loans partly at amortised cost)
2. Includes private equity, preference shares, equity derivatives and others
3. Includes corporate credit, fixed income derivatives and fixed income investment funds
4. Includes covered bonds with state/government guarantee

Prudent approach in volatile market

Asset class	YTD performance ¹
Fixed income (excluding derivatives)	(0.5)%
Equity (excluding derivatives)	10.7%
Alternatives	3.2%
Property	1.9%
Mortgages (nominal)	3.7%
Total return (excluding derivatives)	1.1%
Total return (including derivatives)	0.1%

Fixed Income

- Interest rate risk limited
- Cautious on Spain and Italy
- Enhance return by:
 - *yield curve management*
 - *geographical diversification*
 - *undervalued credits*
 - *private debt*

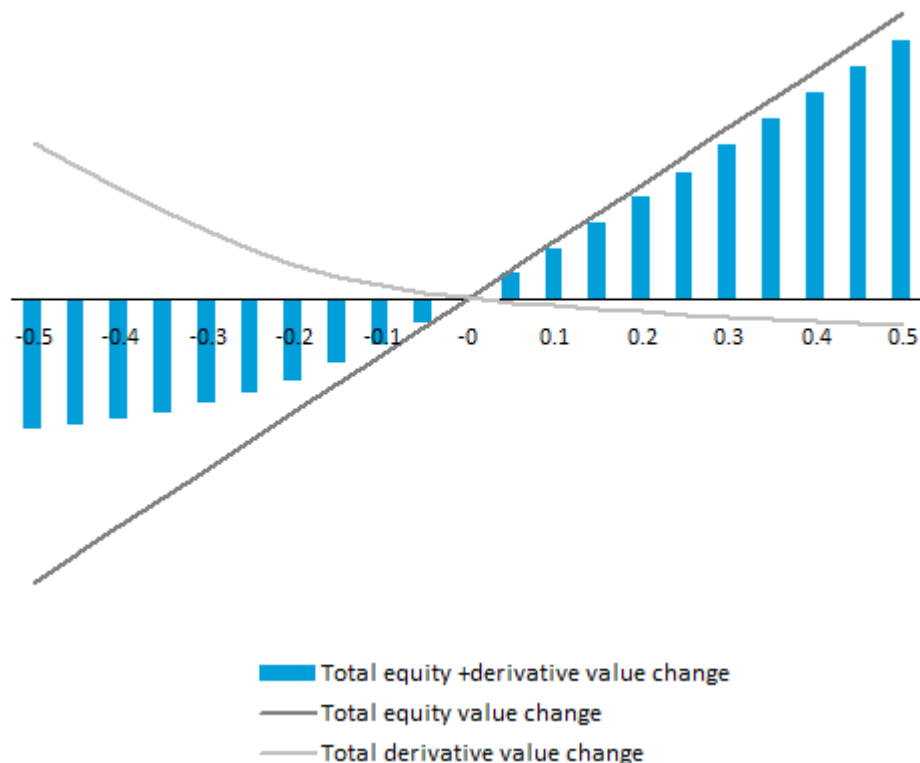
Equities

- Equity risk hedged
- Performance preference shares
- Negative impact Imtech
- Positive impact TMG

1. End October 2013

Equity hedging: downside protected, upside left open

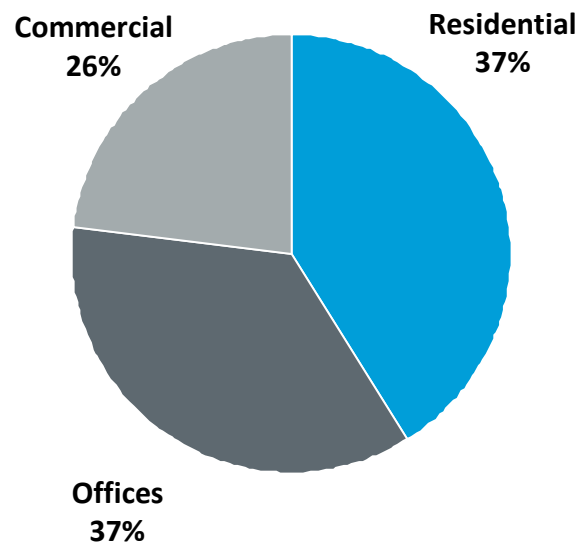
Equity derivatives - value scenarios



- Derivatives on equity indices (currently EuroStoxx 50)
 - *better liquidity and lower premium than on individual stocks*
 - *hedge against market risk, confident about portfolio*
- Preference for listed derivatives and long puts, other instruments if needed in case of high volatility
- Sensible spread
 - *different exercise dates (roof tile construction)*
 - *different exercise prices*
- Hedge reduced after underlying equity portfolio decreased

Real estate portfolio generating solid returns

Split by use H1 2013



- €2.7bn real estate portfolio, of which €2.5bn direct real estate, and €0.2bn through real estate funds

Residential (NL)

- Excellent direct return
- Good match with insurance liabilities
- Occupancy rate of 98%

Shopping (NL)

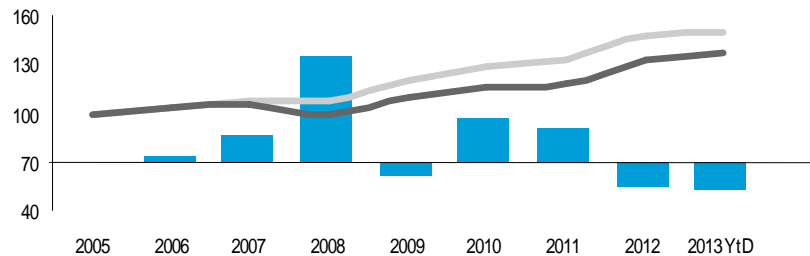
- Seeking for redevelopment opportunities
- Occupancy rate of 96%

Offices

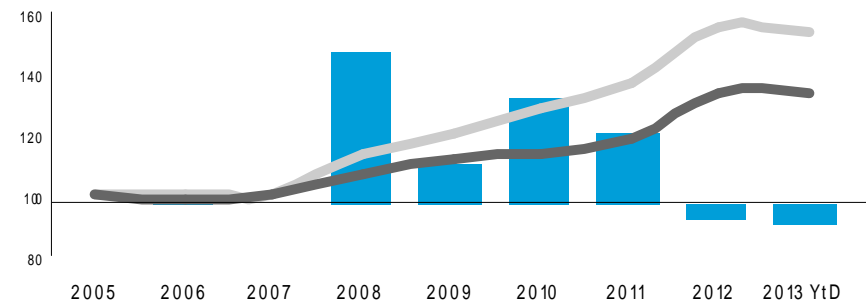
- Seeking transformation opportunities for offices with structural vacancy
- 19% of lease contracts renewed in 2013
- Occupancy rate of 82%, including own use
- 25% of total portfolio invested in Germany
 - *mainly offices rented to sub-sovereign institutions*

Historical relative return own risk assets above benchmark

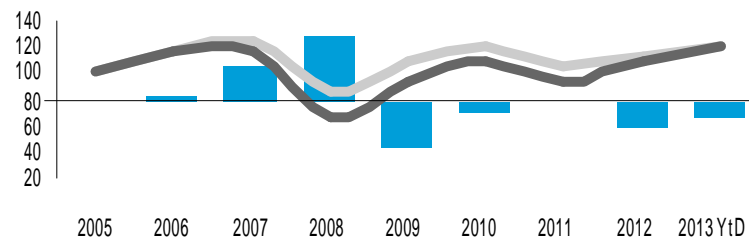
Relative performance^{1,2,3} portfolio: 12.6%



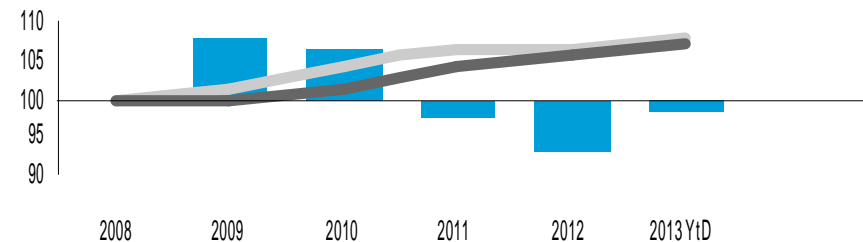
Relative performance^{2,3} FI: 19.5%



Relative performance^{2,3} Equity: (0.1)%



Relative performance³ Real Estate: 0.5%



Relative Portfolio Benchmark

1. Assets managed on relative basis by DLAM (excludes mortgages and intercompany loans). Amount per 30/9/13 €19.5bn
2. Excluding derivatives
3. Indexed: 2005 = 100

Increased running yield, limited interest rate risk

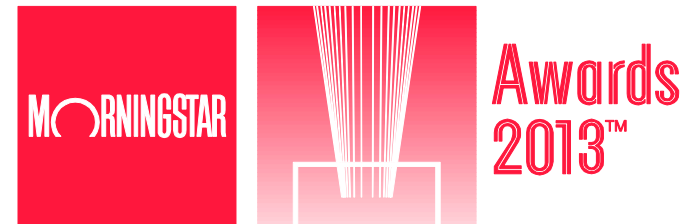
Asset class	Q3 2013	H1 2013
Fixed income	3.42%	3.18%
Equity	3.21%	3.12%
Property	5.15%	5.15%
Mortgages ²	4.23%	4.37%
Total	3.72%	3.57%

- Actual regular annualised income¹:
 - *fixed income: yield-to-maturity*
 - *equity: annual rate of return based on the last year's dividends*
 - *property: annual rental income*
 - *mortgages: mortgage coupon rate divided by residual amount*

1. Market value as at H1 2013 and Q3 2013 of own risk portfolio
 2. Excluding German mortgages

Increase in third party managed assets

- Inflow of retail funds and institutional mandates of €409m (Q3 2013)
- New corporate mandate of €275m won in October
- Introduction of DL Mezzanine Fund
- Plan to launch DL Private Debt Fund
- In 2014 DL Asian Participations Fund will be open for third party distribution
- Morningstar Award for "Best specialized Fixed Income House"



Long term track record of outperforming the benchmark

Historical outperformance own risk assets of 12.6% vs benchmark

Downside risk equity portfolio hedged

Fully diversified fixed income portfolio with limited interest rate risk

Running yield increased to 3.7%

Q&A

Break

3. Improving strategic position for sustainable profitability

Unlocking growth potential

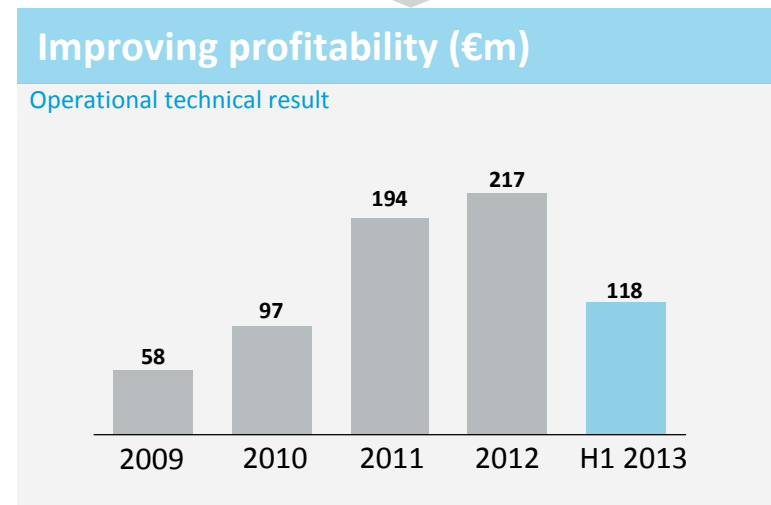
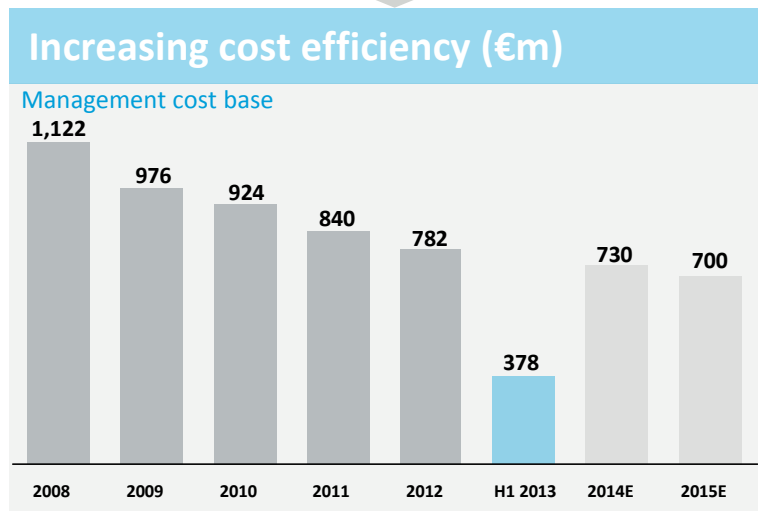
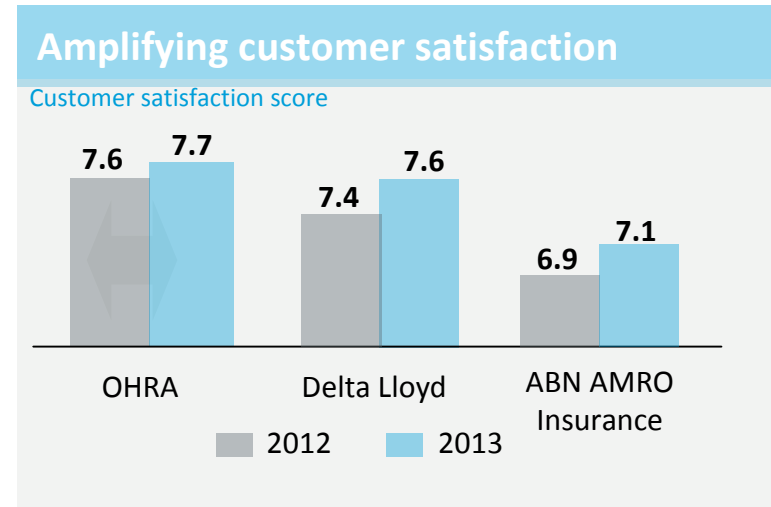
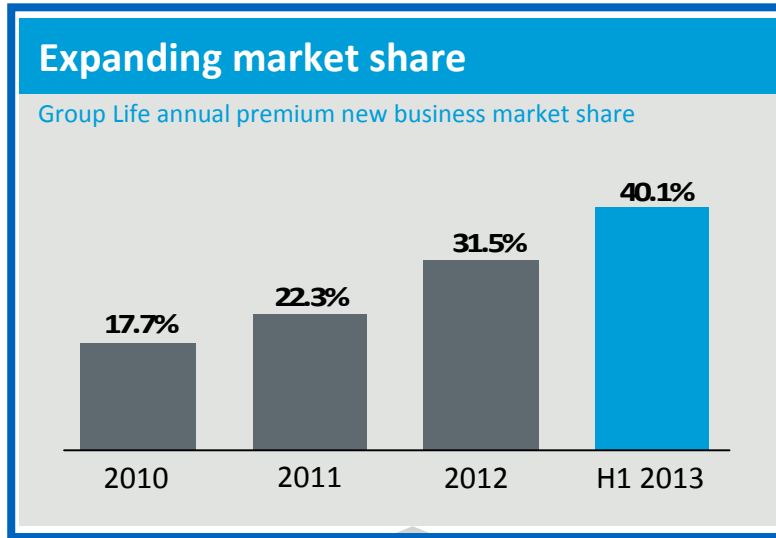
*Expanding market share through
flexible and profitable distribution*



Ingrid de Graaf – Managing Director Commercial Division

delta lloyd

Improving strategic position for sustainable profitability



Commercial focus delivers market leadership

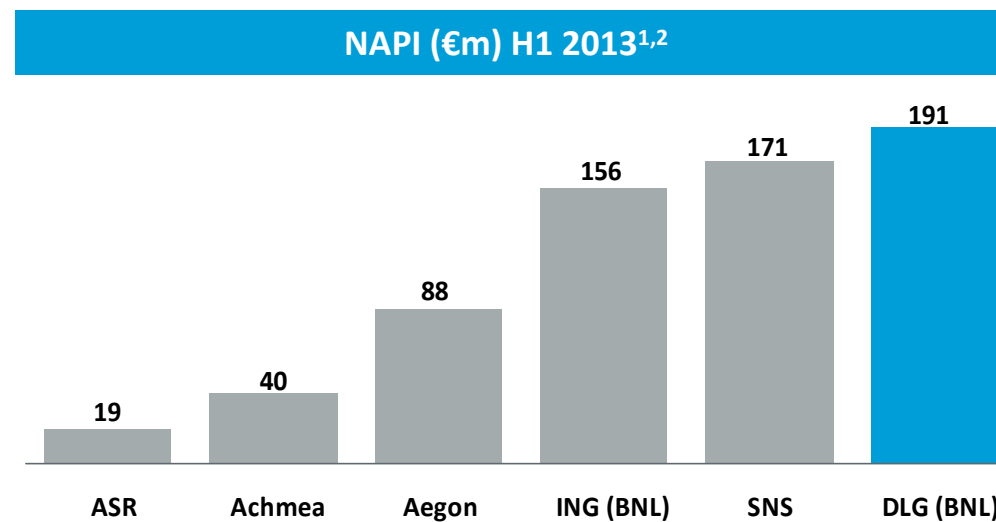
Vision

- Invest in profitable growth and build on strength

Commercial strategy

- Diversified and strong distribution drives success
- Unlocking potential in key growth areas
- Build on online capabilities
- Decrease distribution costs

Result



1. Reported ING and DLG figures are for Benelux
2. Reported ING and SNS figures include renewals

Flexible distribution tailored to customer needs

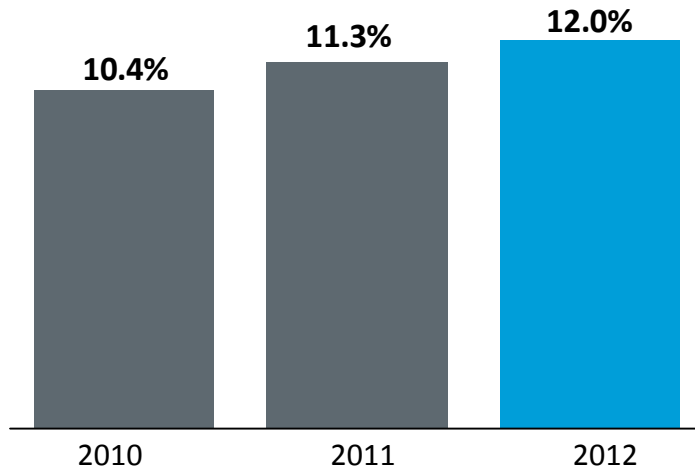


Partnering with advisors benefits customers

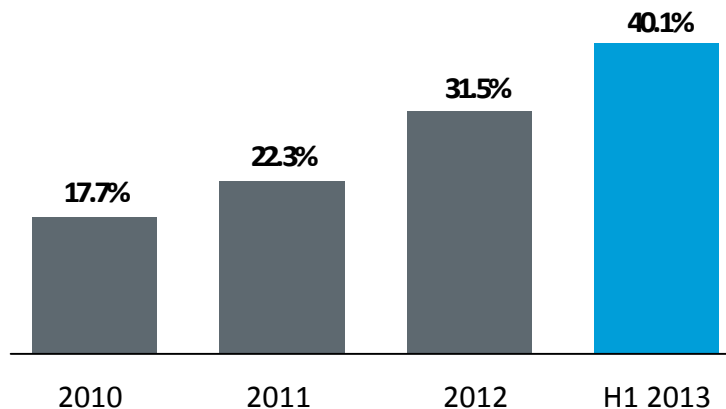


Unlocking potential in key growth areas: pension

Market share portfolio premium



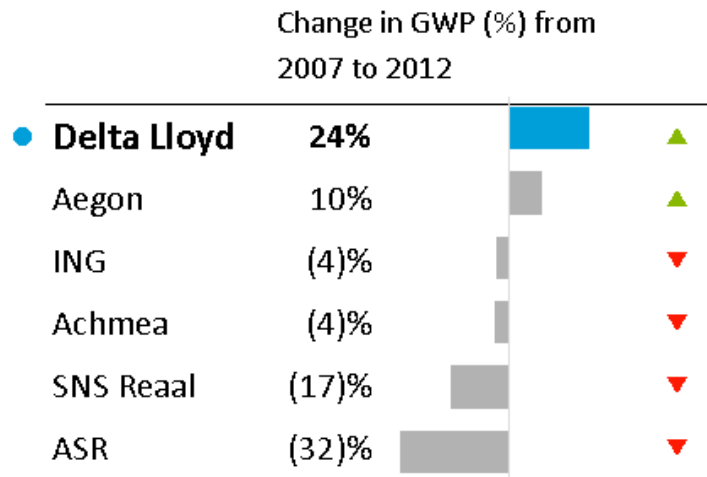
Market share NB annual premium



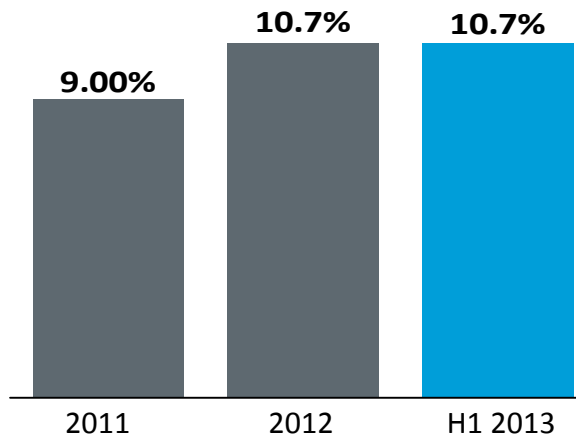
- Building on success as market leader new business annual premium by:
 - *retaining nr 1 position*
 - *performance monitor*
 - *introduction hybrid pension products*
 - *client targeting*
- Take advantage of strong position in pension buy out market with profitable buy out transactions
- Superior market share new business translates into growing market share portfolio premium

Unlocking potential in key growth areas: general insurance

General insurance 2007-2012



Market share NB commercial



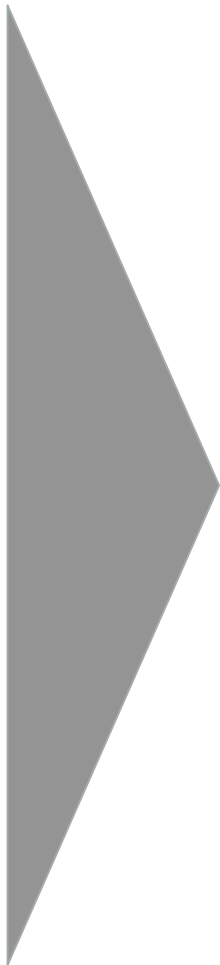
- Challenge market leaders in commercial business lines:
 - *improve online servicing SME market*
 - *more focus on insurance packaging*
- Substantial growth in retail business lines by capitalizing on:
 - *strong bank channel*
 - *proven expertise in online and mobile expertise*
 - *preparing low frills product range*
- Investments geared to markets with growth opportunities and strong market position of Delta Lloyd

Attract new customers through superior online tooling

Online tooling
e.g. apps, calculation tools

Online service desk
communication through social media

Online portals
administration
no human interference



Distribution costs reduced by investing in core competencies

Cost target

- Substantial decrease of overall distribution costs¹ by 2016, 29% down in three years time
 - *decrease driven by higher efficiency and move towards more online distribution*
 - *despite overall cost reduction, investment in commercial core competencies*

Core competencies

- Increase in brand presence
- Increase investments in online platforms and processing

1. Marketing & sales costs, excluding commission expenses

Expanding market share through flexible and profitable distribution

Build on position by unlocking key growth areas

Diversified and flexible distribution tailored to customer needs

Partnering with advisors to the benefit of customers

Leveraging the potential of digital and social media

3. Improving strategic position for sustainable profitability

Amplifying customer satisfaction

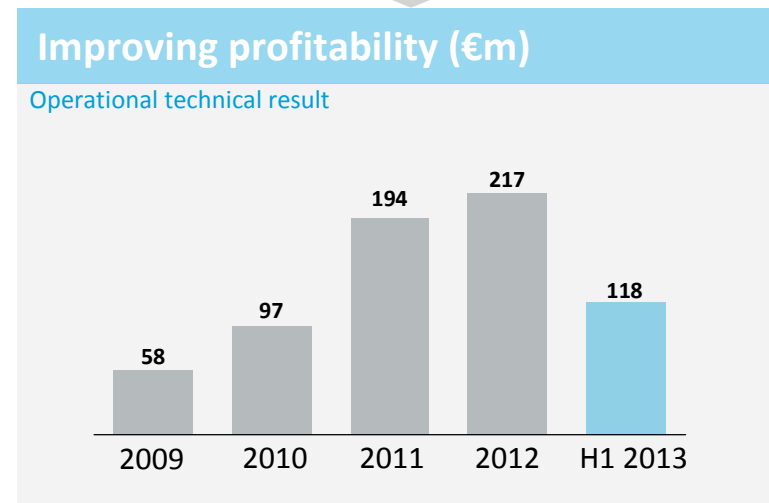
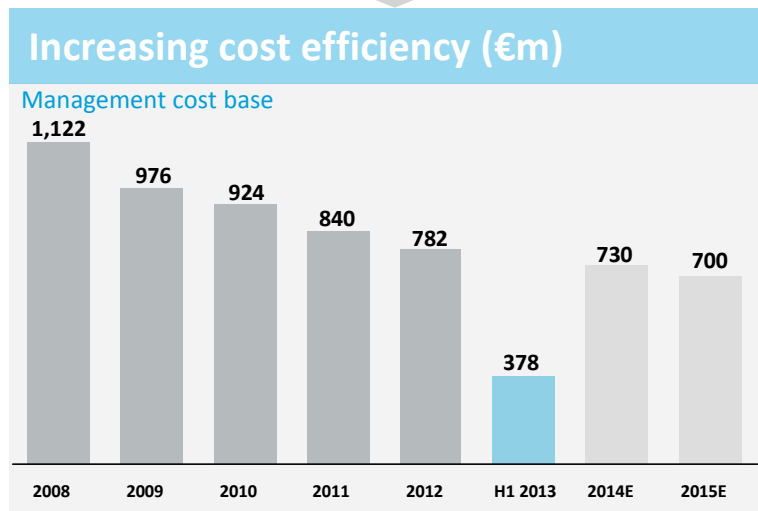
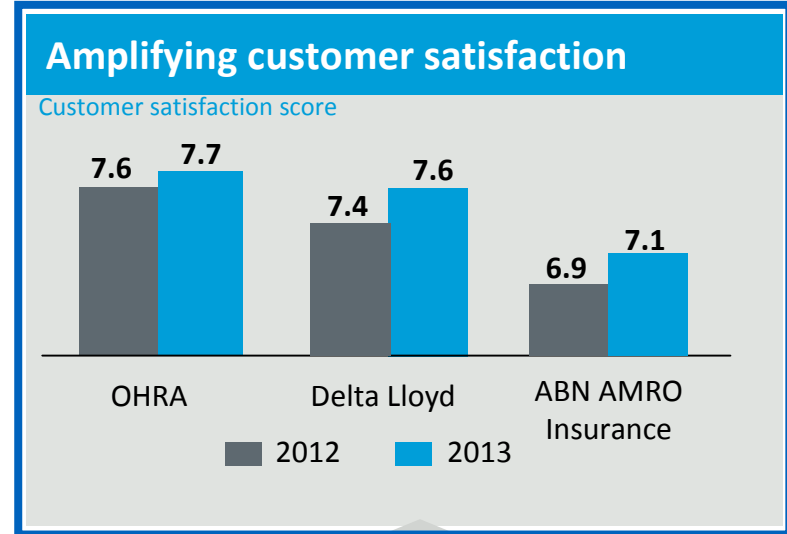
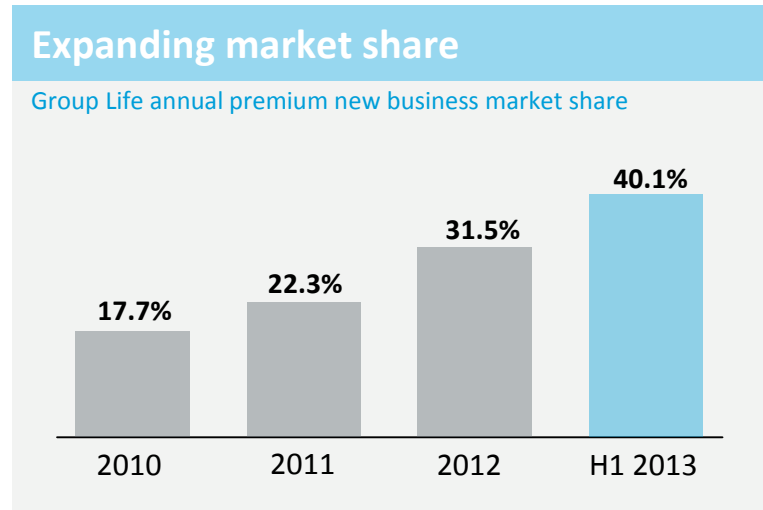
*Deeper customer relationships
creating greater value*



Paul Medendorp – Member Executive Board

delta lloyd

Improving strategic position for sustainable profitability



It's all about capital...

Financial capital

Human capital

Customer capital

Large customer base

Insurance retail

- Delta Lloyd > 800,000 customers
- ABN AMRO Insurance > 600,000 customers
- OHRA > 735,000 customers
- Health insurance (via CZ) > 700,000 customers
- Delta Lloyd Life Belgium > 625,000 customers

Bank retail

- Delta Lloyd Bank Netherlands > 175,000 customers
- Delta Lloyd Bank Belgium > 170,000 customers
- OHRA Bank > 235,000 customers

Insurance commercial

- Delta Lloyd Group Life > 3,000 companies
- Delta Lloyd Commercial GI > 100,000 companies
- ABN AMRO Insurance > 47,000 companies

Restoring customer trust

Consumer confidence

- Consumer confidence has fallen over the last years due to:
 - *the financial crisis*
 - *the way in which the financial sector provided service and products to customers*
 - *unit-linked issue*
 - *necessity for state to support financial institutions*
 - Impact of social media
 - *the customer's voice live*
-

Restoring confidence

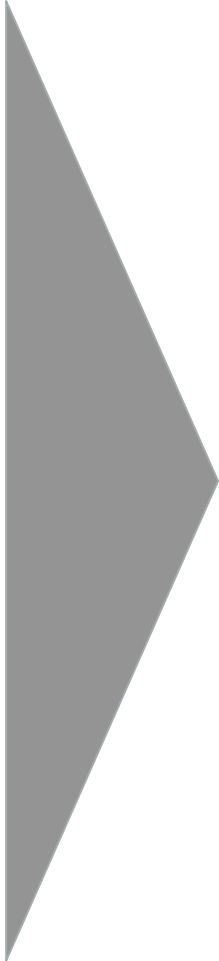
- Delta Lloyd plays active role in restoring consumer's confidence in financial services
- Customer centricity program started in 2011
 - *includes all projects relating to our customers*
 - *customer interest in addition to customer satisfaction*
- Customer Focused Insurance Quality Label
 - *assessed and monitored by independent foundation*
 - *obtained by Delta Lloyd in 2010, for all brands*
- AFM Customer Centric Dashboard controlled by regulator

Value creation for customer and shareholder

Customers' interest first

Customer centricity part of our DNA

Strengthen long-term relation with customer



Ultimate goal:
Create sustainable added value

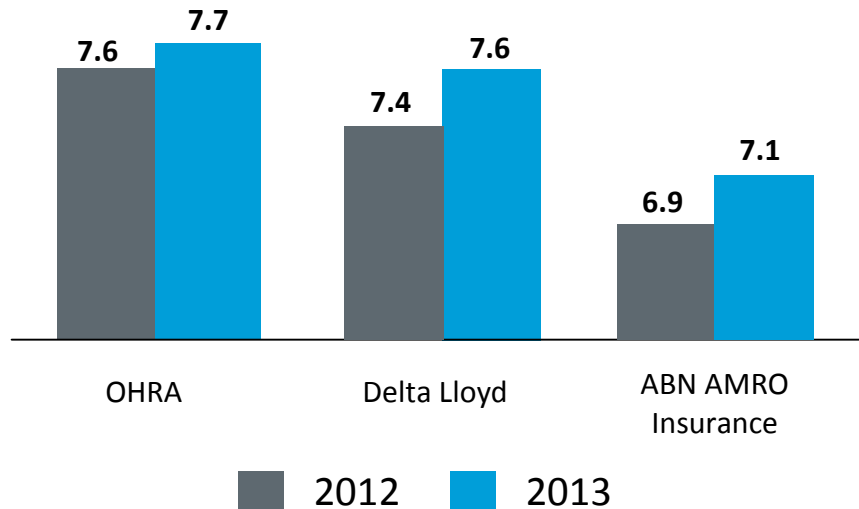
Further accelerating customer centricity

Results

- Best in class score in AFM Customer Centric Dashboard over 2012
- Customer Focused Insurance Quality Label for all brands in 2012
- Increased customer satisfaction
- Product Approval Review Process embedded in organisation
- Complaints policy embedded in organisation
- Customer interaction policy in place
 - *indicates type of customer research to be deployed*
- Customer information rewritten to improve comprehensibility and findability of information

Improved customer satisfaction

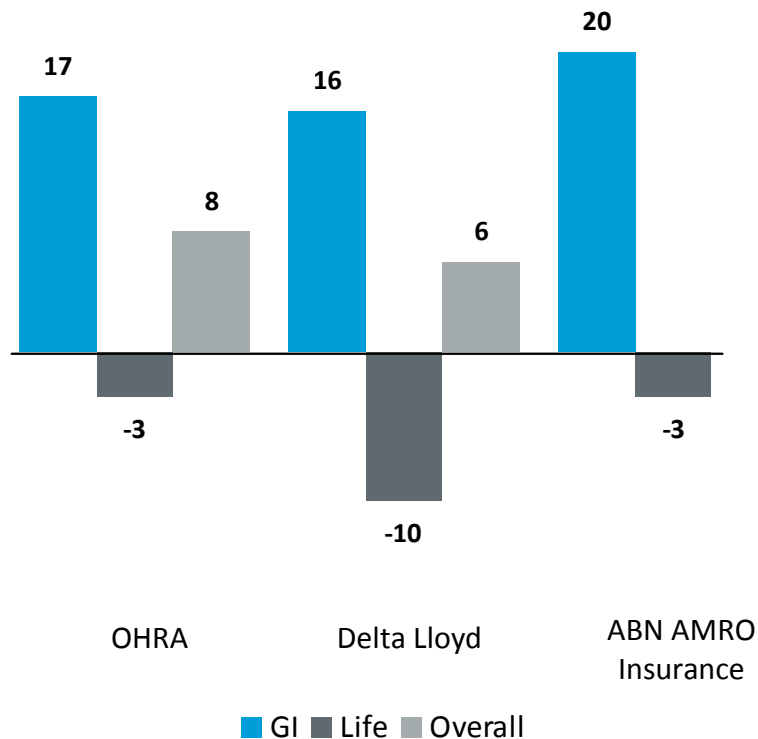
Customer satisfaction scores



- Customer satisfaction increased for all brands
- High appreciation of service levels by customers

Customer loyalty above market average

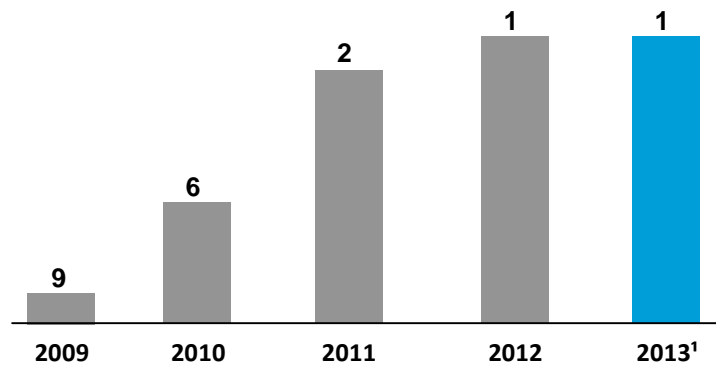
Customer loyalty NPS scores (2013)



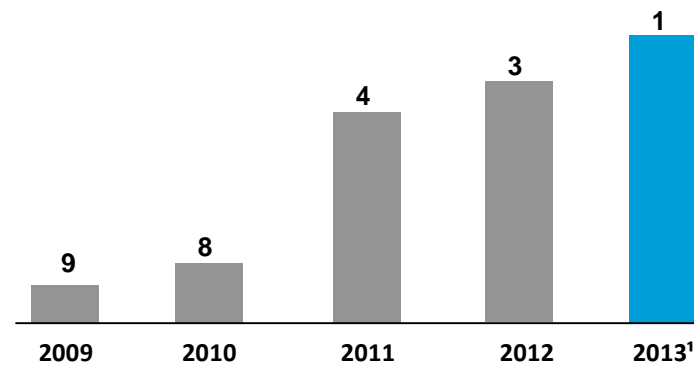
- Positive trend in customer loyalty (Net Promotor Scores, “NPS”) over the years for all brands
- In general, financial institutions tend to show negative NPS scores

IFA satisfaction: nr 1 position reflected in new business

IFA satisfaction ranking pension



IFA satisfaction ranking commercial GI



Key drivers

- IT systems key driver behind improved service levels
- Service levels are key driver in commercial business lines
- Account management key in managing IFA relationships

1. Based on provisional results for 2013
Source: IG&H Consulting & Interim. Numbers are average scores awarded by Dutch IFA's

Deeper customer relationships creating greater value

Customer centric program results in higher customer satisfaction and loyalty

Customer Focused Insurance Quality Label for all brands

Number 1 position in IFA satisfaction in pension and commercial GI

Improved service levels drive IFA and customer satisfaction

3. Improving strategic position for sustainable profitability

Increasing efficiency

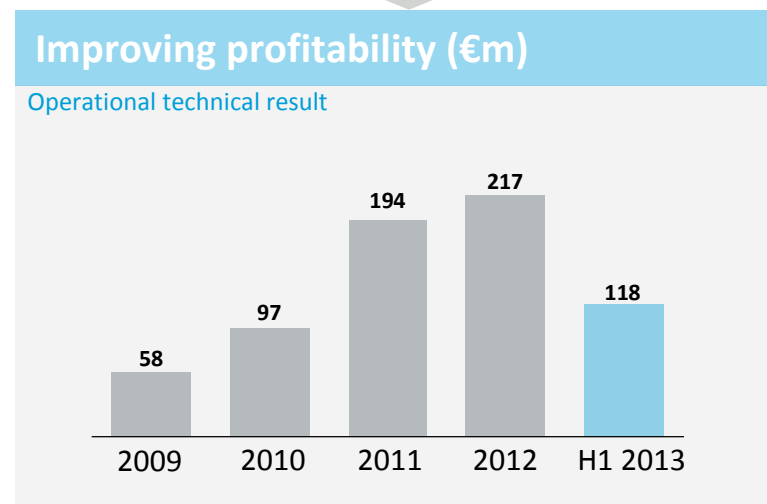
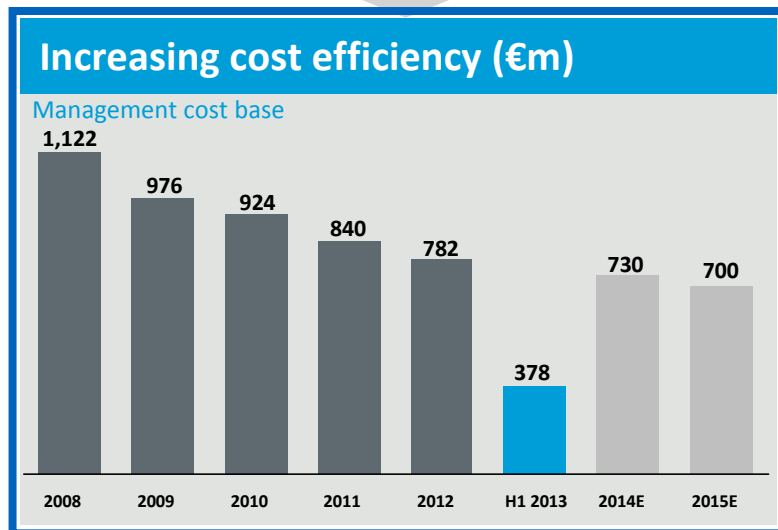
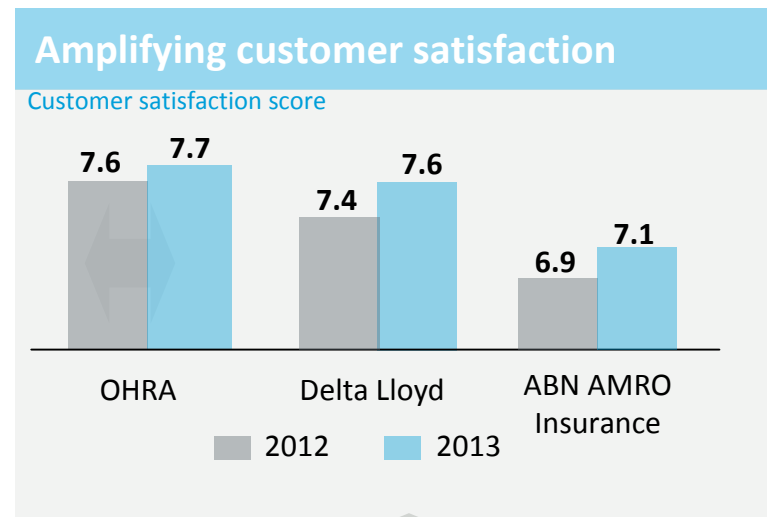
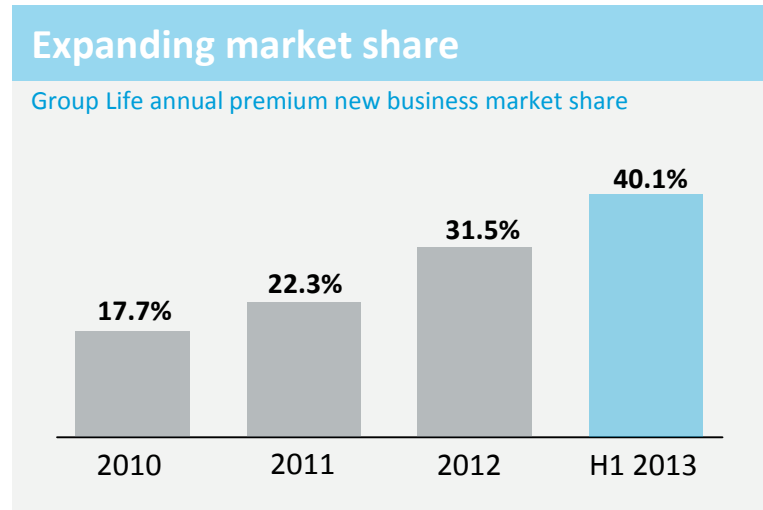
*Sustainable operational strategy
drives cost reduction and performance*



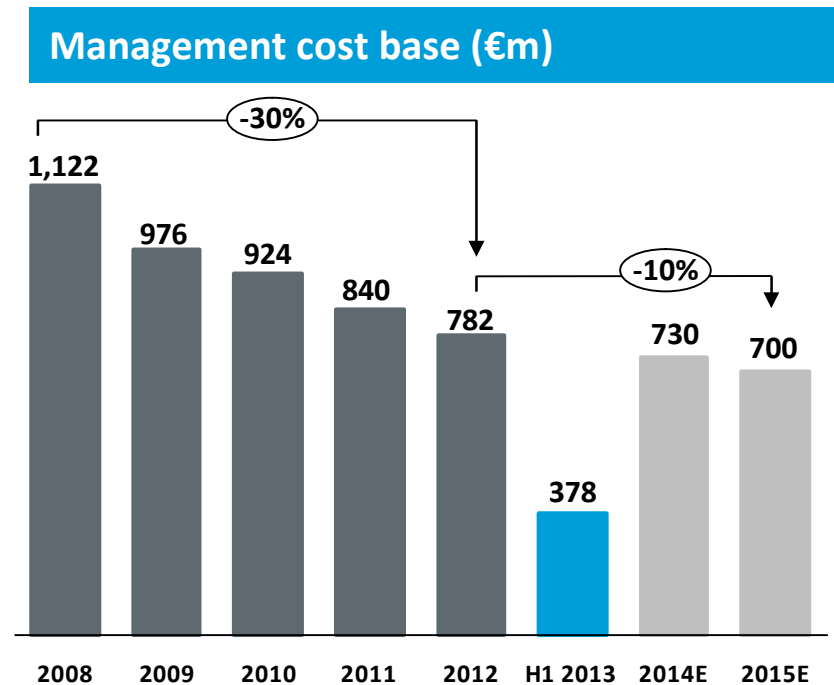
Onno Verstegen – Member Executive Board

delta lloyd

Improving strategic position for sustainable profitability



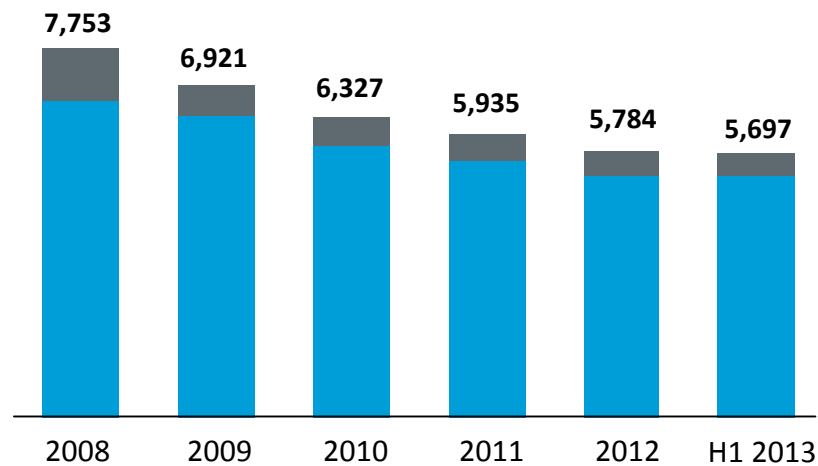
We have already come a long way...



- 2008: start of sustainable cost saving- and sharing program
- 2010: simplification of organisational structure
- 2012: €340m in annual cost reductions between 2008 - 2012
- Revised cost targets for the coming years:
 - €730m in 2014
 - €700m in 2015

Staff reduction: a measured approach

26.5% staff reduction since 2008 (FTE)



- Sustainable, gradual staff reduction
- No collective redundancies
- Focus on training and development
- Preparing for remuneration austerity

Agile operational strategy drives sustainable cost reduction

Critical customer demands

- Full product transparency
- Lower cost loadings
- Excellent service levels

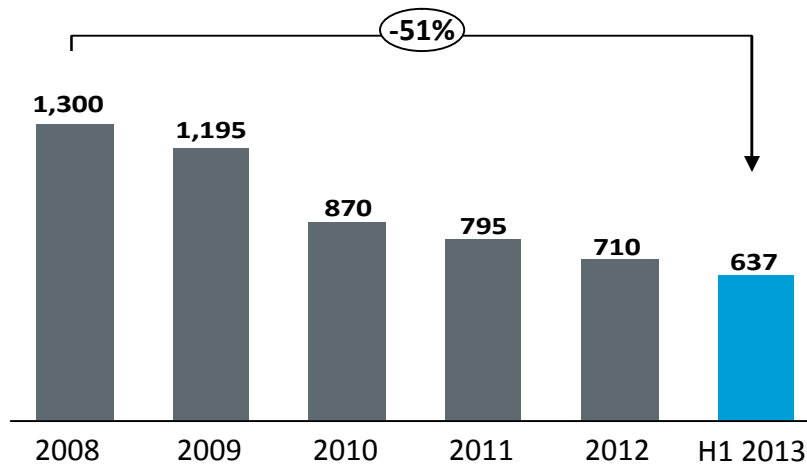


Operational strategy

1. Legacy reduction
2. Straight Through Processing
3. Digitalisation
4. Digital servicing

1. Legacy reduction: enhancing simplicity

Reduction in number of applications



- Number of applications halved through eliminating and combining applications
- Around 500 applications required to run the business
- Ongoing focus on legacy reduction

2. Straight Through Processing: a win, win, win

Straight Through Processing

- Full data entry at start of application process by client or IFA
 - *large decrease in data entry errors*
 - *acceleration of the process, no human interference*
 - *less administrative work*
 - *less complaints*

Status

- Life & pensions
 - *Defined Contribution: 82% STP of 60,000 policy adjustments*
 - *Life: 87% STP of new standardized products*
- General Insurance
 - *Retail GI 90% STP of 80,000 policy adjustments*
 - *Retail GI 70% STP of new policies*
 - *Income protection 91% STP of post calculations*

Potential

- Several projects in 2014 to start up STP in other business lines and processes
 - *Life: Defined Benefits*
 - *General insurance: Income protection, commercial GI*

3. Digitalisation: smarter working

Phase 1 Internal

- Paper free internal organization by end 2014
 - *90% of incoming physical letters will be processed digitally*
 - *digitalisation of 32KM of internal archives*
 - *45% reduction in printing*
 - *responding to a new way of working: time and place independent, enabled by technology*

Phase 2 External

- Digitalisation of all external communication
 - *all client documentation will be available online*
 - *30% reduction in incoming physical letters by end 2014*
 - *digital policies via online portals e.g. OHRA, Delta Lloyd Bank NL*

4. Online servicing: streamlining customer processes

Online tooling
streamlining customer
processes

**Online
service desk**
driving customer
accessibility

Online portals
enhancing transparency
and control



Sustainable operational strategy drives cost reduction and performance

Taken out 30% of costs in past five years without damaging the business

Operational strategy driven by customer demands

Potential remains to be unlocked

Revised cost targets for 2014 €730m and 2015 €700m

3. Improving strategic position for sustainable profitability

Improving life profitability

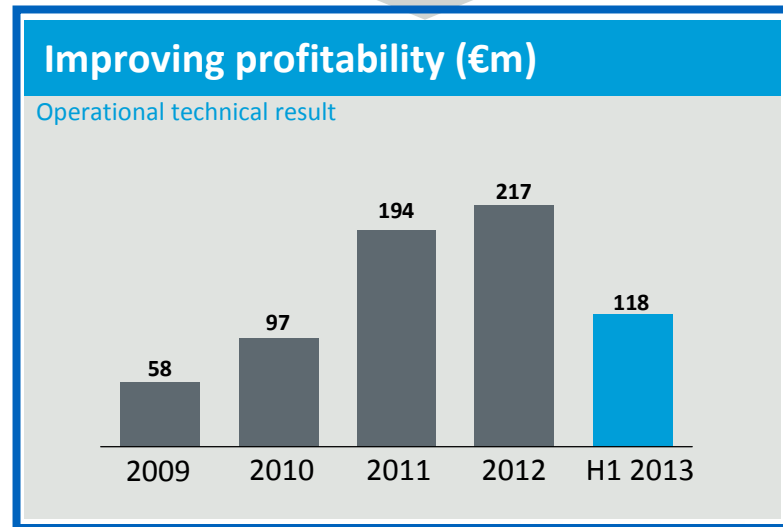
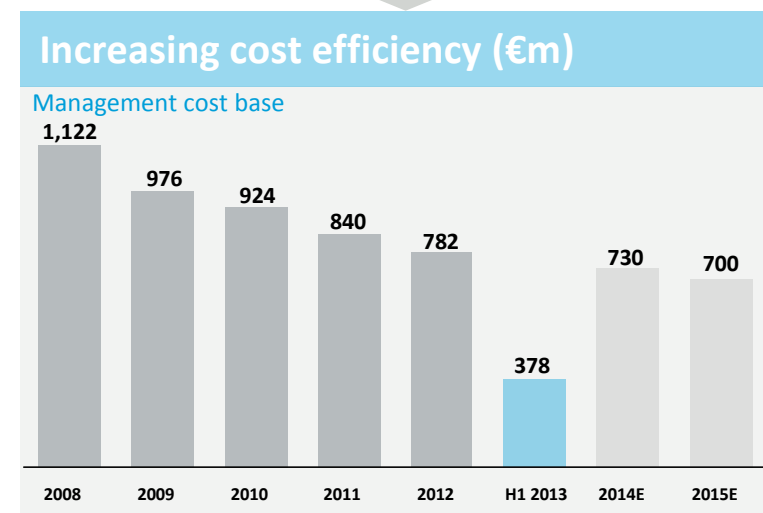
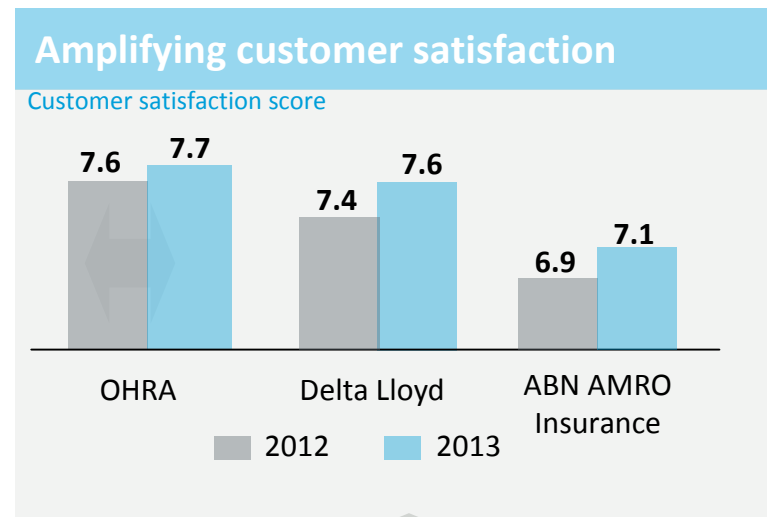
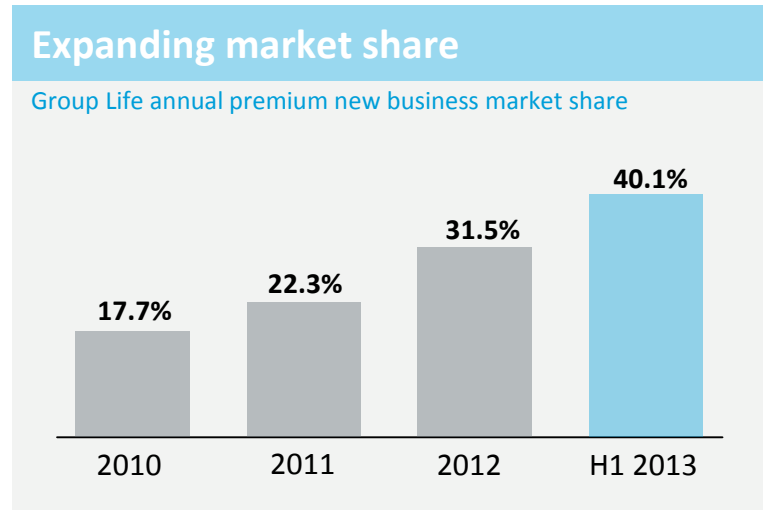
Unlocking further value



Léon van Riet – Managing Director Life & Pensions The Netherlands

delta lloyd

Improving strategic position for sustainable profitability

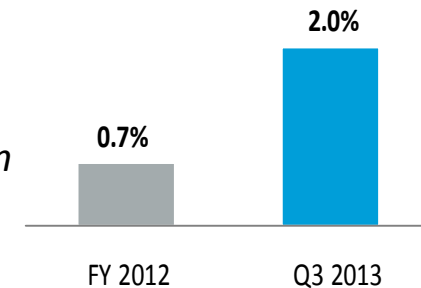


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Current profitability a strong foundation

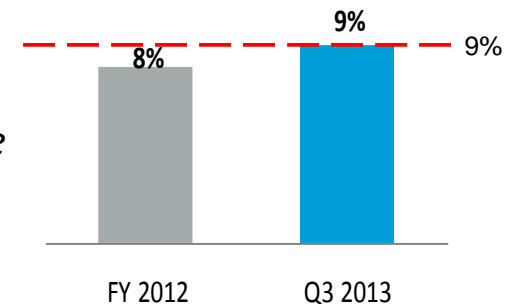
New Business Margin

- Market consistent valuation
 - *financial risks taken into account by risk neutral scenario's*
 - *non financial risks explicitly valued in risk margin*
- Primarily used for regular premium contracts



IRR

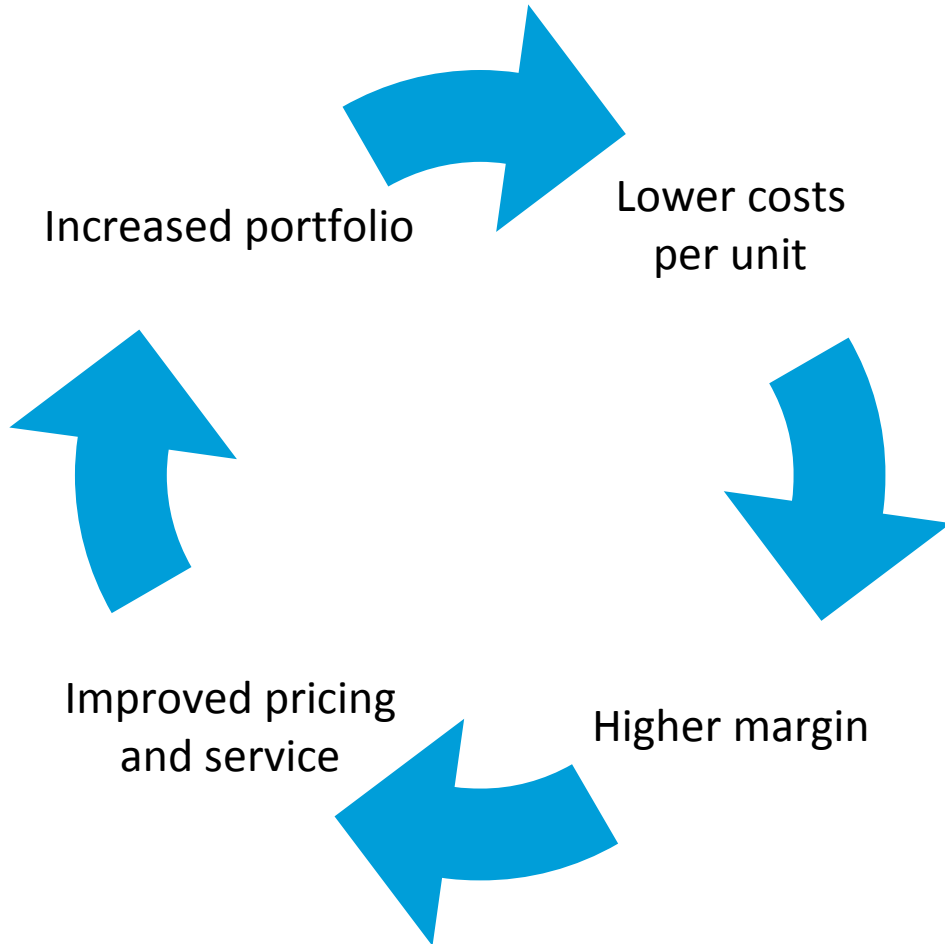
- Real world valuation
 - *all risks reflected in required capitals and IRR*
 - *projects profits on real world basis; more in line with statutory results*
- Primarily used for single premium contracts



Development

- Introduction of gender neutral tariffs temporarily affected Dutch profitability
- Belgian IRR and NBM evolved positively mainly due to lowered guarantee levels
 - *pension transfers shift business mix to more profitable business*
- Strong margins realised in third quarter 2013

Profitability accelerated by service and lower costs



Multiple levers for improving profitability

Product offering

- Consistent best-in-class customer service
 - Complete pension product portfolio for all segments and product types
-

Pricing

- Sophisticated margin/pricing dashboards
 - Risk based pricing
 - *proprietary model based on factor dependant mortality table*
 - Dynamic pricing
 - *optimise margins and volume*
 - *online tooling minimises time-to-market for price adjustments*
 - Monitoring of price realisation to further refine the model
-

Innovation

- Brand: introduction of BeFrank as 'new' pension provider
- Product: first to develop 'hybrid' product (elements of both DB and DC):
 - *promise to employer: no budgeting surprises*
 - *promise to employee: flexibility to periodically convert investment value and premiums into a guaranteed pension*
 - *creates new higher margin market with limited possible competitors*

Bulk annuities – shift from volume to margin

Product offering

- Single provider for bulk annuity and premium contract
-

Pricing

- Advanced model containing all types of risks
 - Application of risk based pricing for mortality
 - Strict price discipline
-

Innovation

- Proven experience with tailor-made solutions
- Solid risk management, strong asset management, and best-in-class insurance capabilities combined in one product

Defined benefit – attractive revenue streams

Product offering

- Consistent best-in-class customer service
- Limited competition through capital constraints
- Single provider for bulk annuity and premium contract

Pricing

- Sophisticated margin/pricing dashboards
- Monitoring of price realisation to further refine the model

Innovation

- Simplicity via MRK (“Market Interest Rate Discount”)
 - *based on actual market interest rates*
 - *no complicated profit sharing, but discount in advance*
- Unlocking further value through digitalisation, STP

Defined contribution – innovation and agility driving profitability

Product offering

- Maximising service and minimising costs via online servicing and digitalisation
-

Pricing

- BeFrank offers transparent and low-cost solution
 - Volume essential in competitive market
-

Innovation

- Hybrid pension developed as response to competitive market
- Generic pension portal live for DC products
 - *target groups: employers, employees and pension advisors*
 - *recent addition: pension planner*
- BeFrank 100% online

Pension planner: online financial planner for customers

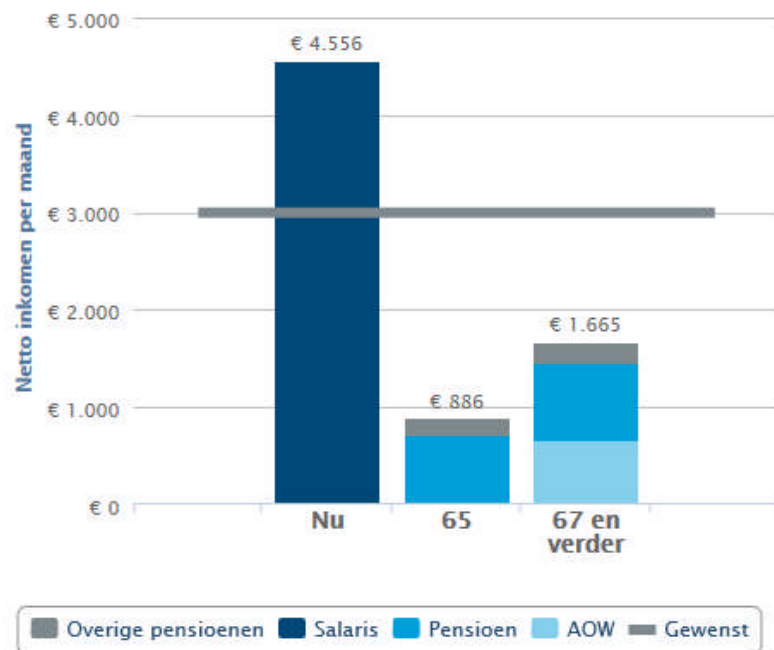
Gegevens **Planner** Meekijken Inlezen

Uitloggen

Gegevens > Planner > Wat zijn de mogelijkheden?

Netto per maand Bruto per jaar

Uw netto inkomen in € per maand



Terug

Wat zijn de mogelijkheden

Wat kunt u doen om uw pensioen te beïnvloeden? Hieronder ziet u enkele mogelijkheden binnen uw pensioenregeling bij Delta Lloyd. Deze mogelijkheden worden direct doorberekend.

Wilt u gebruik maken van één van de mogelijkheden? Of wilt u meer weten over de andere mogelijkheden binnen uw pensioenregeling? Bespreek dit dan met uw werkgever of adviseur. Of kijk voor meer informatie op deltalloyd.nl.

Deeltijdwerken

Eerder of later stoppen met werken

Uw gewenste pensioenleeftijd

< 60 jaar 70 jaar > 65 jaar

Extra geld inleggen voor meer pensioen

delta lloyd

Individual life – efficiency and pricing discipline drive profitability

Product offering

- Maximising service and minimising costs via online servicing and digitalisation
-

Pricing

- Online dynamic pricing: different pricing per product segment
 - Balance margin vs volume (price elasticity)
 - Competitive market
 - *looking for higher margin through proprietary mortality model*
-

Innovation

- Simplified online product
- One product, one system, multi-channel, multi-label

Unlocking further value

Profitability accelerated by improved service and lower costs

Innovation in products and services translates into improved profitability

Focus on attractive product segments; price discipline

Multiple levers to improve profitability

Wrap-up & Closing remarks

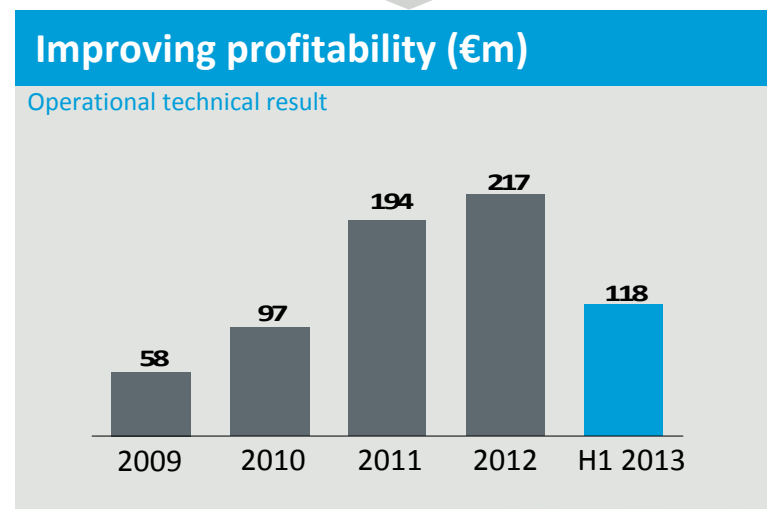
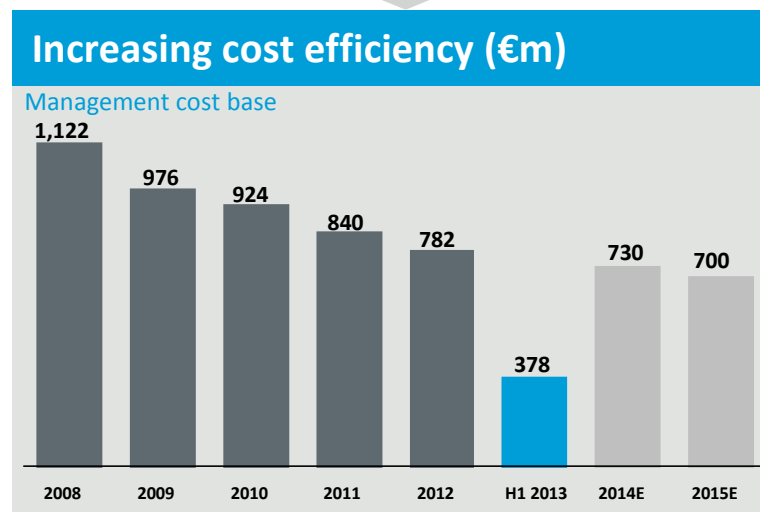
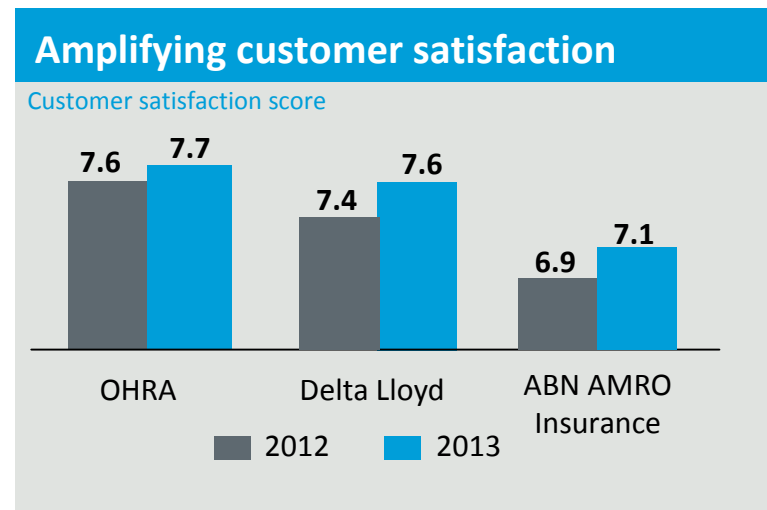
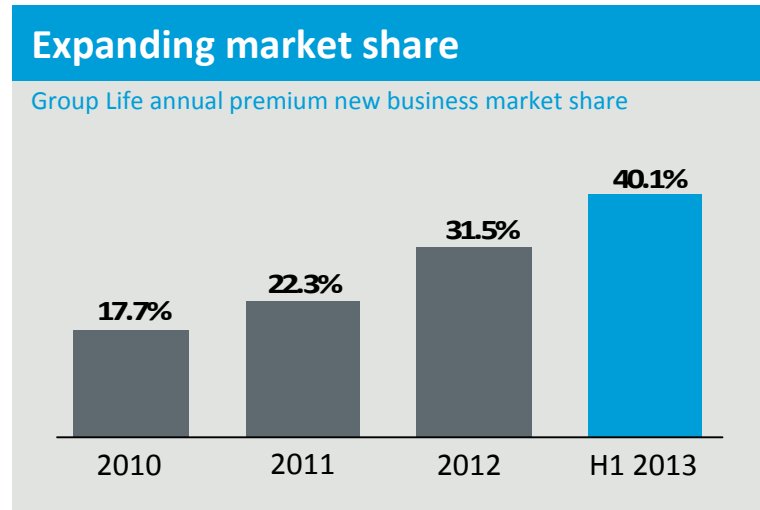
The way forward



Niek Hoek – Chief Executive Officer

delta lloyd

Improving strategic position for sustainable profitability



Fit for the future

Strong operational capital generation

Long term track record of own risk assets outperforming the benchmark

Aiming for 200% solvency per year-end 2014

Prepared for future capital regimes

Drinks & Dinner

Disclaimer

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- Certain statements contained in this presentation that are not historical facts are "forward-looking statements". These forward-looking statements are based on management's beliefs and projections and on information currently available to them. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Delta Lloyd Group's control and all of which are based on management's current beliefs and expectations about future events.
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- The figures in this presentation have not been audited. They have been partly taken from the 2012 annual report and the half year 2013 financial supplement to the press release and partly from internal management information reports.