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Delta Lloyd Group

”Risk Management is central to continuity and value creation”

Small & Midcap Seminar SNS Reaal

17 June 2010, Breukelen

Delta Lloyd: Risk Management is central to continuity and value creation

Today's Presenter

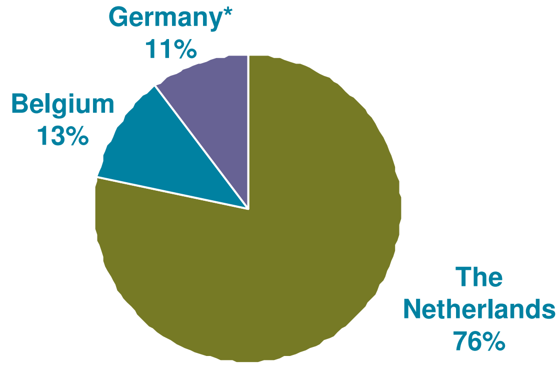
N.W. (Niek) Hoek, CEO

- Current position
  - *Chairman of the Executive Board of Delta Lloyd NV*
- Supervisory Board memberships
  - *NIBC NV*
  - *Stadsherstel Amsterdam NV*
  - *Euronext NV*
- Year of Appointment
  - *1997 Executive Board member, 2001 Chairman*
- Year of Birth
  - *1956*
- Nationality
  - *Dutch*

Delta Lloyd Group: Who We Are

- A strong Group secured on 200 years of reliability and trust
- An insurance company and financial services provider
  - *Life insurance, General Insurance, Asset Management and Banking*
- Distribution mainly through three labels: Delta Lloyd, OHRA and ABN AMRO
- 6.300 employees, focus on the Netherlands and Belgium
- Always been an independently run company, also as part of the Aviva Group

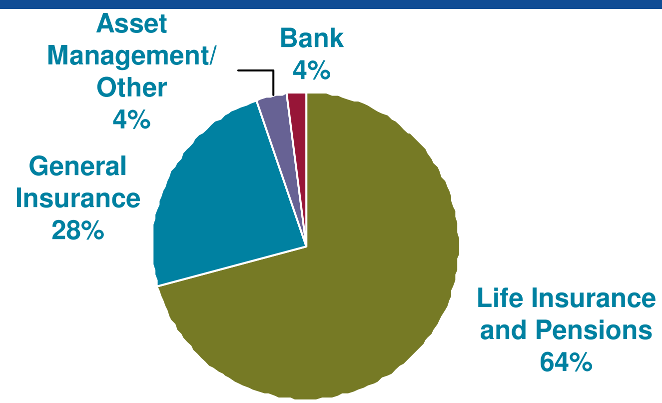
2009 GWP by Geography[1]



Total: €5,065m

*Decision taken to cease writing new business

2009 Operational Result by Segment[2]



Total: €541m

1. *Segment Other is included in The Netherlands.*
2. *Total operational result before tax of €541m, pie chart AM includes "Other" segment with negative contribution of €(13)m.*

Delta Lloyd Group – How We Work

- Reliable and Responsible
- Clear focus on shareholder value
- Emphasis on sustainable yields
- Focus on delivering value to customers: distribution power and asset accumulation

Reputation

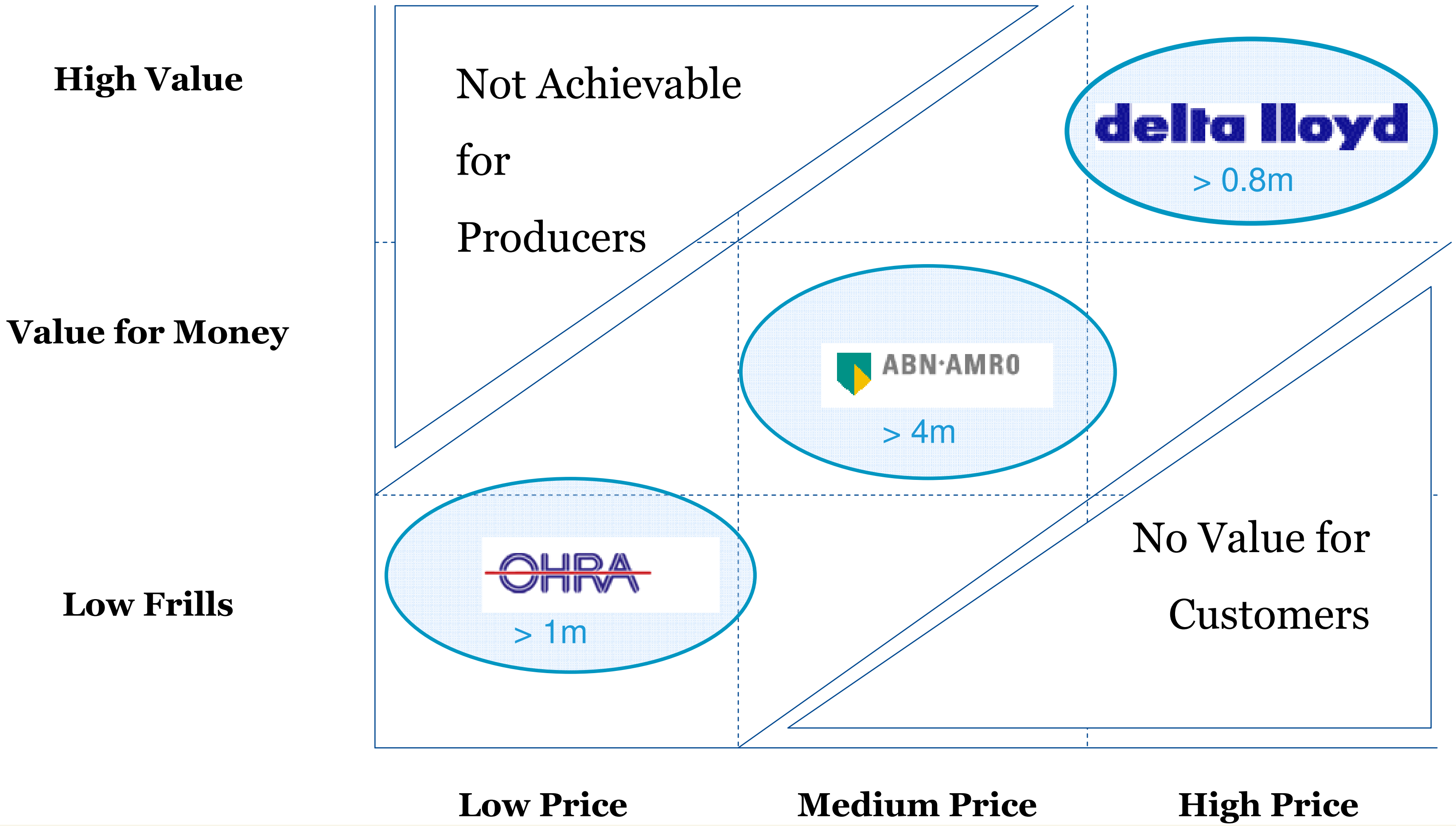
Top 5 Insurers in the Netherlands[1]

ING Group	65,3
Delta Lloyd Group	63,3
Eureko/Achmea	62,6
Aegon	62,0
SNS Reaal	59,8

[1]. The Reputation Institute Research 2010/Erasmus University

Growing Through Customer Focus

Multi-brand, Multi-channel Distribution Enable Customer Segmentation



The Delta Lloyd IPO

- Listing on NYSE Euronext Amsterdam Stock Exchange on 3 November, 2009
  - *Offering price of €16 per share*
  - *Offering size €1.09bn, including Greenshoe*
  - *Inclusion in the AMX index as per March 2nd*
  - *Inclusion in MSCI-indices as per May 26th*
- First sizeable IPO in Western Europe in 2009, largest IPO in the Netherlands in 3 years
- Retail marketing campaign successfully enhanced public awareness of Delta Lloyd in addition to generating significant demand
  - *10% IPO allocation (before over-allotment)*
- Management have built strong relationships with investor community
  - *Over 150 investors met during and since IPO*

The Delta Lloyd Group Investment Case

Delivering Sustainable Value for Shareholders Through Long Term Focus

1. **Growing through Customer Focus**
2. **Operational Profitability through Cost Discipline**
3. **Strong Capital and Risk Management**
4. **Leading Market Positions, Well-Placed for Consolidation**

Strong Performance on Business Objectives

	Objective	2009
Life Insurance	• New business margin targets: – *Individual Life : 2%* – *Group Life: 1%*	 0.8%[1] 2.0%
General Insurance	• Combined ratio of 98% or better across the cycle	98.3%
Efficiency	• €125m cost savings target in 2009 • €50m cost savings target in 2010	2009: €146m delivered (€21m of 2010 target delivered ahead of schedule)
Shareholder Return	• Operational RoE: mid point of 10% (range 8%-12%) • Dividend pay out ratio of around 40-45% of operational result after tax and minorities	11.6% Proposed 41% pay-out ratio[2]
Capitalisation	• Group Insurance Solvency at least 175%	201%

1. *Excluding Germany that intends to cease new sales. Including Germany (1.2)%.*
2. *No 2009 interim dividend*

Segmental Review 2009

Life Insurance	• €3,642m Gross Written Premiums generated compared to €4,533m for FY 2008 – *Single premiums under pressure as companies and pension funds were unwilling or unable to transfer their pension obligations (low coverage ratio)* – *New Business Margins improved by 200bps to 1.6% (excl. Germany) compared to 2008 due to increasing margins at Group Pensions*
General Insurance	• Gross Written Premiums growth of 3% year-on-year to €1,423m – *Increase COR to 98.3% from 96.5% in 2008* – *Higher claims at Fire and Motor, noticeable impact of crisis* – *Partially offset by strict cost control*
Fund Management	• Net fund inflow of €449m in 2009 versus €581m in 2008 – *Total own risk portfolio performance of 10.5% excluding hedges (6.2% including hedges)* – *Increased Assets under Management by 11% to €67.8bn*
Bank	• Savings growth with 140% to €5,671m above expectations – *Clients substituting investments for savings products* • Banking Annuities increased to €297m • New mortgages production up by 30% versus 2008 to €2,402m – *Strong commercial activity, while other suppliers left the market*

Strategic and Market Highlights

- **2009: A historic year for Delta Lloyd Group on the strategic front**
  - *Successful listing on NYSE Euronext Amsterdam*
  - *ABN AMRO JV / Fortis extension announced*
  - *Integration of Swiss Life Belgium into DL Life Belgium on schedule*
  - *Successful transfer of Health business to CZ*
- **Successfully capitalised on market opportunities**
  - *Tapped customer demand for new banking annuity product – strong increase in savings*
  - *Reopened continental European RMBS market with €0.9bn Arena funding transaction*
  - *Inflow of new pension contracts increasing in H2 2009*
- **2010 announcements so far**
  - *Inclusion in AMX index as of March 2nd*
  - *Inclusion into MSCI -indices as of May 26th*
  - *Intention to cease new sales in Germany*
  - *Bought out partner of Delta Deelnemingen Fonds*

Key Highlights Financial Results

Highlights 2009

	2009	2008	Δ
• Gross Written Premium	€5,065m	€5,911m	(14%)
• Operational result[1]	€366m	€308m	19%
• Net Result[1]	€(124)m	€(161)m	23%
• Shareholders' funds	€3,892m[2]	€3,150m	23%
• Group MCEV	€4,495m	€3,479m	29%
• Group MCEV per ordinary share	27.14	21.01	29%
• COR ratio GI	98.3%	96.5%	1.8pp

Highlights Q1 2010

	Q1 2010	2009	Δ
• Shareholders' funds	€4,183m	€3,892m[2]	7%
• Shareholders' funds per ordinary share	25.26	23.50	7%
• Dividend per ordinary share	n/a	€0.50	n.m.
• Regulatory solvency (IGD) [3]	197%	201%	(4pp)
• IFRS Solvency [3]	268%	256%	12pp

1. *After tax and minority.*
2. *Shareholders' Funds 2009 is €4m higher as a result of a change in accounting principles for Delta Lloyd Belgium.*
3. *Insurance solvency (excluding Bank).*

Delta Lloyd: Risk Management is central to continuity and value creation

I. Introduction Delta Lloyd Group

II. Strong capital & Risk Management

Risk Management Is Key to Business Success

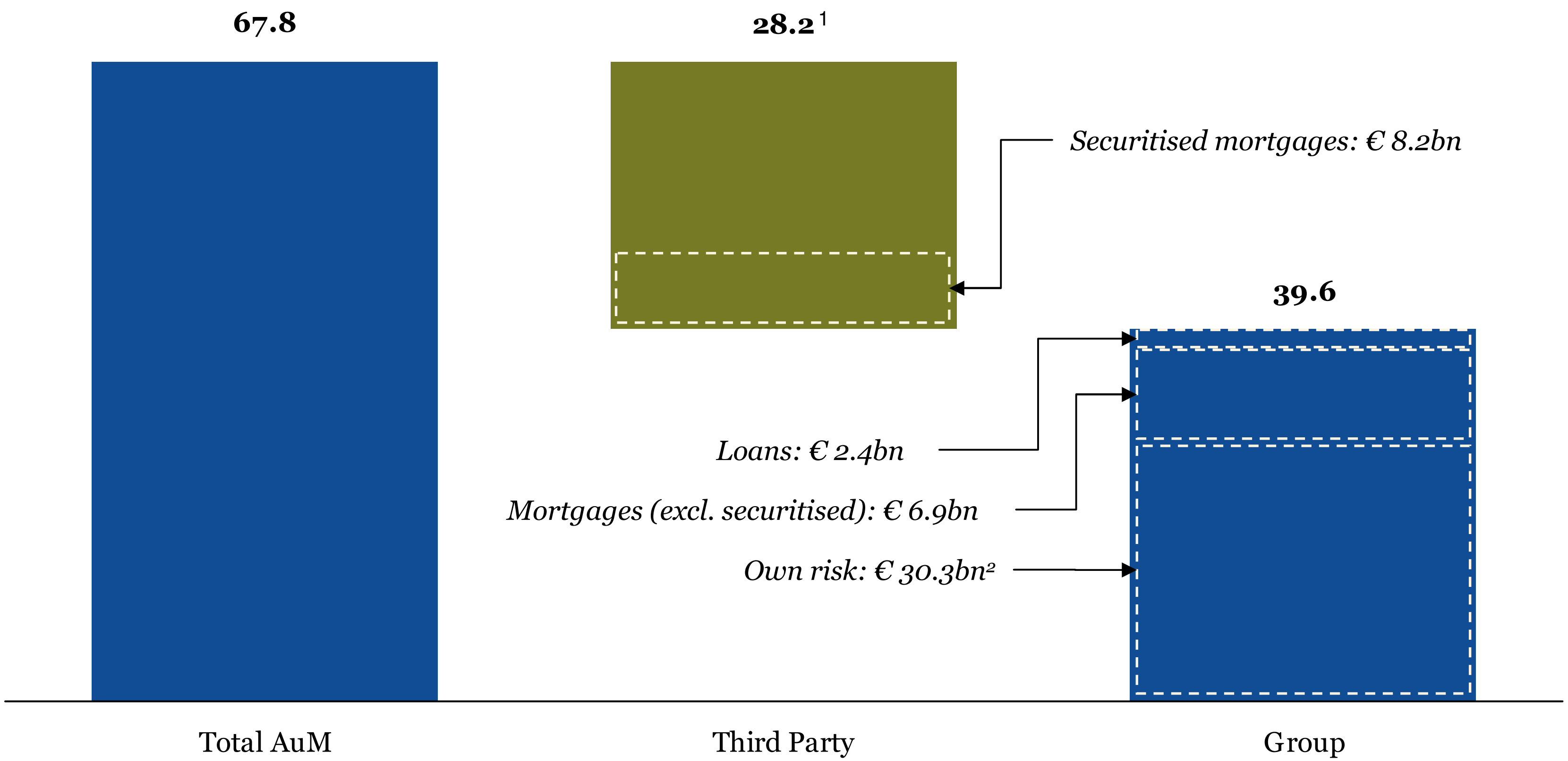
- **Strongly embedded in the organisation**
  - *Executive Board takes full risk management responsibility*
  - *Long history of ALM risk management capabilities*

- **Enabled the Group to weather the crisis**
  - *Provided a solid balance sheet*

- **Generates a commercial advantage**
  - *Resilient performance through crisis positioned Delta Lloyd at forefront of market for capital strength*
  - *Risk management supporting Group Pension leadership*

Overview of Investments
Risk Management

In €bn, as at FY 2009

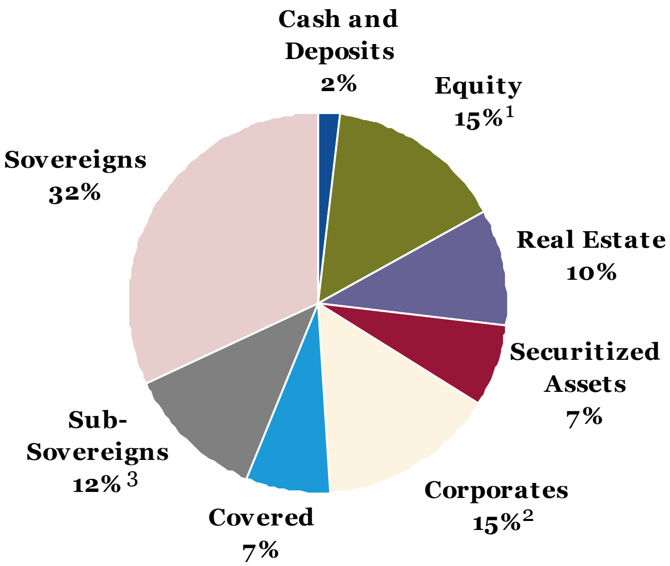


1. *Includes € 8.1bn off-balance sheet assets, € 3.7bn separate accounts, € 8.5bn unit-linked portfolio, € 0.8bn CIF, €0.4bn short term investment deposits, € 8.2bn securitised mortgages, € (0.8)bn deposits and owner occupied real estate.*
2. *Own risk assets are based on management views on risk and differs from IFRS classification of own risk assets.*

Overview of Asset Risk Exposures (Own Risk Assets by Type)

Risk Management

Own Risk Insurance Portfolio 2009 = €30.3bn



Key Portfolio Highlights

- Marked-to-market
- 73% in fixed income (mostly EU sovereigns and sub-sovereigns)
- Investment portfolio changed to less liquid assets
  - *Increase in covered bond and mortgage portfolio*
- Equities are mostly hedged while retaining upside potential
- Real estate portfolio is 42% residential and with 98% occupancy rates
- Limited exposure to structured credit
- No Alt-A or subprime

1. *Includes private equity, preference shares, and others.*
2. *Includes corporate credit and fixed income investment funds.*
3. *Includes covered bonds with state/government guarantee.*

Exposure to Sovereign and Sub-Sovereign bonds
Southern Europe & Ireland

Exposure Sovereign and Sub-Sovereign bonds
Fair Value (as at end of)

€m	December 2009	March 2010	April 2010
Greece	1,346	277	265
Ireland	70	70	66
Italy	2,392	1,655	1,457
Portugal	68	68	38
Spain	331	381	309
Total	**4,207**	**2,451**	**2,135**

- Exposure to Southern Europe & Ireland almost halved per April 2010 versus December 2009.
- The impact on Shareholders' Funds of movements in the Southern Europe and Ireland exposures per Q1 2010 is negligible.
- Risk Management continuously looks for the best trade-off between risks taken in relation to respective returns.

Shareholder Capital and Surplus Generation

MCEV

Capital and Surplus Generation

€m	2008	2009
Operational Surplus Generation:	**270**	**393**
Life In-Force Profits	345	399
New Business Strain[1]	(190)	(129)
General Insurance profits	119	91
Bank & Asset Management	(4)	32
Movement in Capital Requirement	**(239)**	**(36)**
Life In-Force[2]	183	132
New Business Strain[3]	(306)	(158)
GI	(27)	3
Bank & Asset Management	(89)	(14)
Operational Cash Generated	**31**	**357**

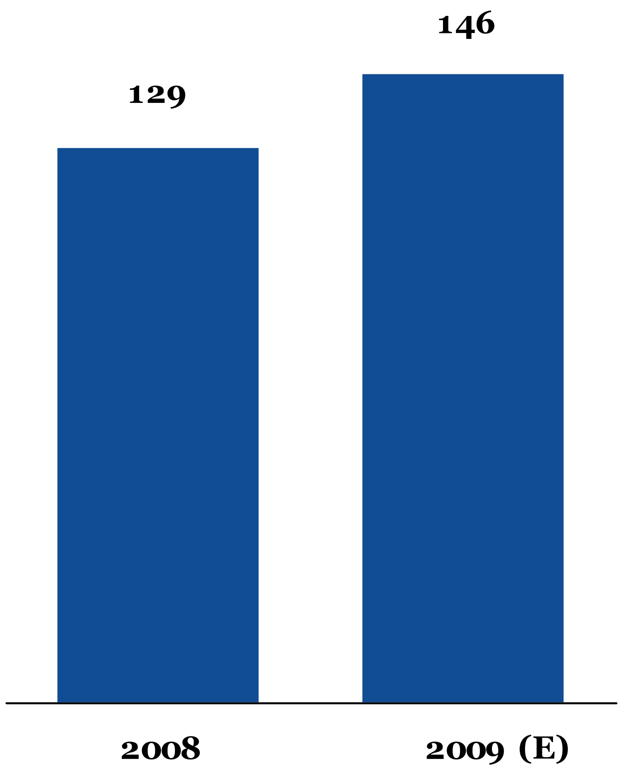
1. *New business strain is the change in the Net Worth due to the New Business in the MCEV.*
2. *The change in movement in capital requirement for Life in Force is based on the MCEV (change in total RC minus New Business).*
3. *The change in movement in capital requirement for NB based on the MCEV (movement in RC for NB).*

Preparing for Solvency II

Delta Lloyd Has Started Preparing for Solvency II

- Strong tangible capital position
  - *88% of IFRS Shareholders' Funds*
  - *Small amount of Goodwill, VOBA or DAC*
  - *Marked-to-market balance sheet*
- Delta Lloyd views on impact of Solvency II
  - *We welcome the Solvency II framework for its economic principles and focus on risk management*
  - *We agree with most of the draft EC proposals for QIS5 but are critical of advice on risk-free rates, credit spread and property stress tests*
- Delta Lloyd aims for internal model approval and is now preparing for the pre application process
- Continuation of economic valuation of balance sheet, for risk management and reporting purposes
  - *Estimated 2009 Economic Capital Position 146%*

Economic Capital Position (%)



Conclusion

- **Strongly positioned to face challenges and opportunities:**
  - *Strong Tangible Capital position*
  - *Adequate Risk management which provides Delta Lloyd with a stable asset base, and supports product pricing decisions*
  - *Dynamic Asset Management approach to implementing hedge policies, tailored to market environment*
  - *Good and Reliable Reputation*
- **Conclusion:**

"Risk Management is central to continuity and value creation at Delta Lloyd Group"

Q&A

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