

# Annual general meeting

**NN Group N.V.**  
28 May 2020



# Agenda item 1

## Opening

# Welcome on behalf of the Management Board



**David Knibbe (NL)**  
CEO\*



**Dailah Nihot (NL)**  
Chief Organisation & Corporate Relations



**Delfin Rueda (ESP)**  
CFO\* and CRO ad interim



**Fabian Rupprecht (CH/D)**  
CEO International Insurance



**Satish Bapat (NL/IND)**  
CEO NN Investment Partners



**Janet Stuijt (NL)**  
General Counsel



**Tjeerd Bosklopper (NL)**  
CEO Netherlands ad interim and CTO

\* Member of the Executive Board

# Welcome on behalf of the Supervisory Board



**David Cole (NL/US)**  
Chair



**Hans Schoen (NL)**  
Member



**Dick Harryvan (NL)**  
Vice-chair



**Robert Jenkins (US)**  
Member



**Hélène Vletter-van Dort (NL)**  
Member



**Clara Streit (GER/US)**  
Observer, nominated for reappointment



**Heijo Hauser (GER)**  
Member

# 74.99 % represented at today's AGM

- On Record Date, 30 April 2020, the issued capital of NN Group consisted of 343,556,121 ordinary shares
- No votes can be cast on 31,802,814 ordinary shares as those shares were held by NN Group on Record Date
- Consequently, a total of 311,753,307 votes are eligible for casting
- The represented share capital amounts to 74.99%, which means 233,772,731 votes will be cast during today's meeting by Ms M.A.J. Cremers, civil-law notary in Amsterdam, by means of proxy via the electronic voting platform

## Agenda item 2

# 2019 Annual Report

- See 2019 Annual Review
- See 2019 Financial Report

# Accelerating sustainable transformation

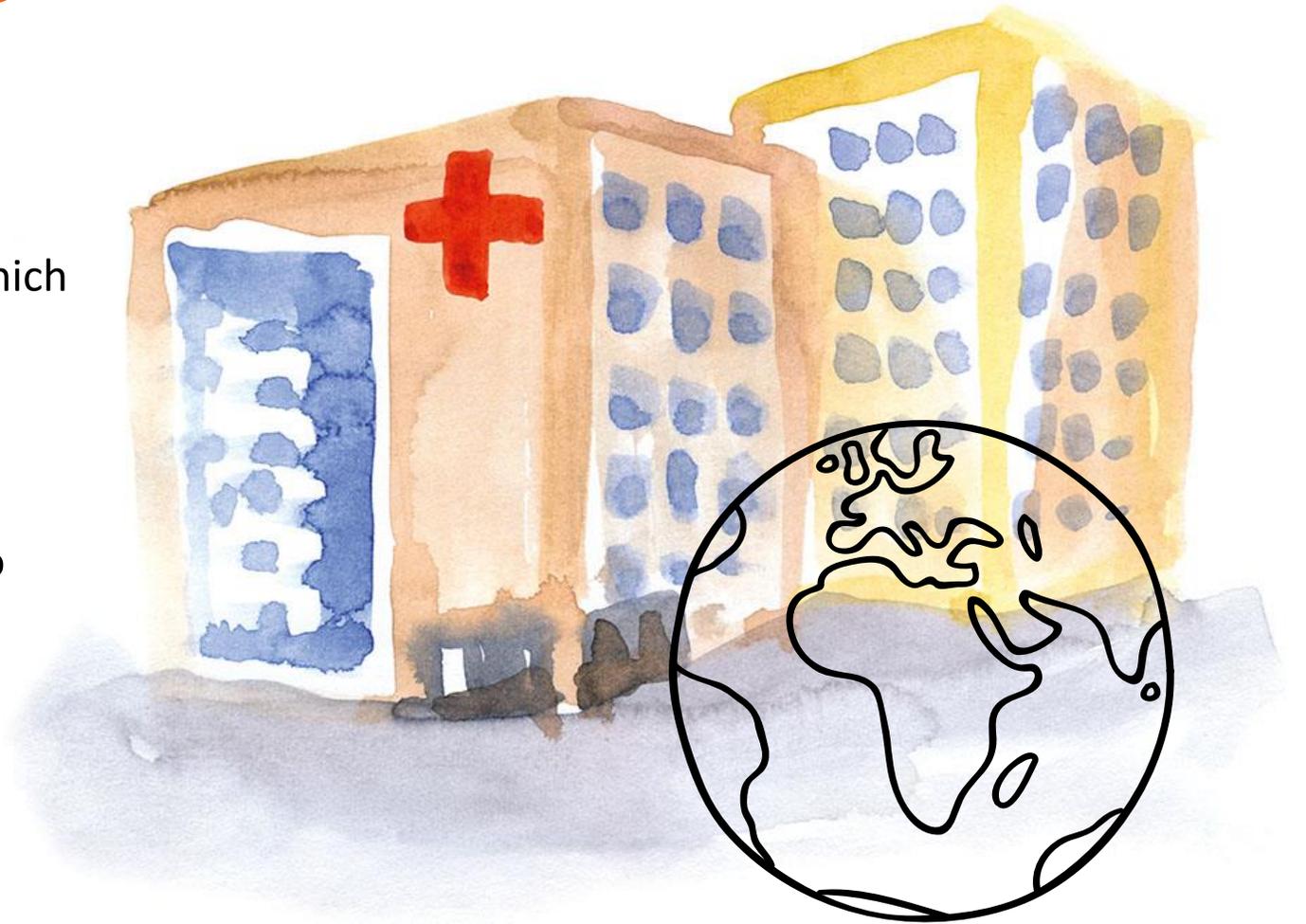
**NN Group N.V.**  
2019 Annual Review

**David Knibbe, CEO**  
Annual general meeting  
28 May 2020



# Coronavirus pandemic

- Focus on the well-being of our colleagues, customers, and the wider communities in which we live and work
- Ensure an uninterrupted service
- Offer tailor-made solutions and assistance to our customers and partners



A man with grey hair and glasses is sitting at a desk in a kitchen-like setting, looking at a laptop. He has his hand to his chin in a thoughtful pose. The background shows a kitchen counter with a coffee machine and a window.

**A dynamic environment for the sector**

**COVID-19**

**Regulation**

**Lower economic growth**

**Brexit**

**Climate change**

**Digitalisation**

**Low interest rates**

**Aging populations**

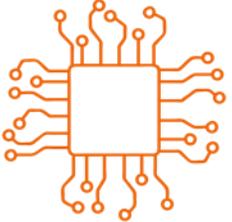
# Consolidation, integration, transformation



**Optimising the business**



**Strategic partnerships**



**New capabilities**



**New ways of working**

# Financial highlights 2019

## Financial results

Operating result

**EUR 1,794m**

(2018: EUR 1,626m)

Net result

**EUR 1,962m**

(2018: EUR 1,117m)

Expense savings<sup>1</sup>

**EUR 360m**

(2018: EUR 289m)

## Capital

Solvency II ratio<sup>2</sup>

**224%**

(2018: 230%)

Holdco cash capital

**EUR 1,989m**

(2018: EUR 2,005m)

Interim dividend<sup>3</sup>

**EUR 0.76**

(2018: total dividend EUR 1.90)

## Commercial performance

New sales (APE)

**EUR 1,741m**

(2018: EUR 1,640m)

VNB

**EUR 358m**

(2018: EUR 391m)

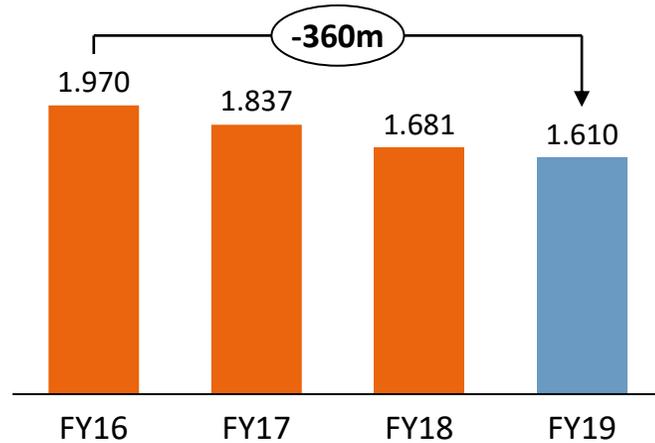
NPS

**+5 points**

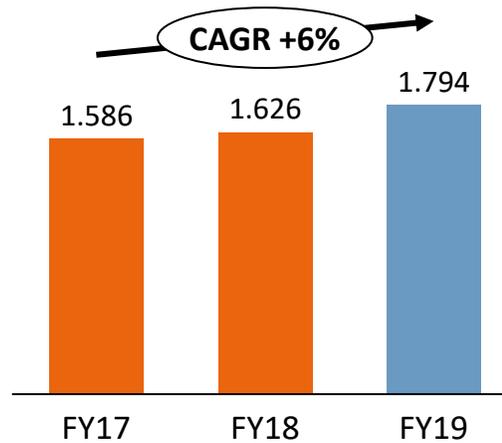
(2018: +1.5 points)

# Progress on our Group financial targets

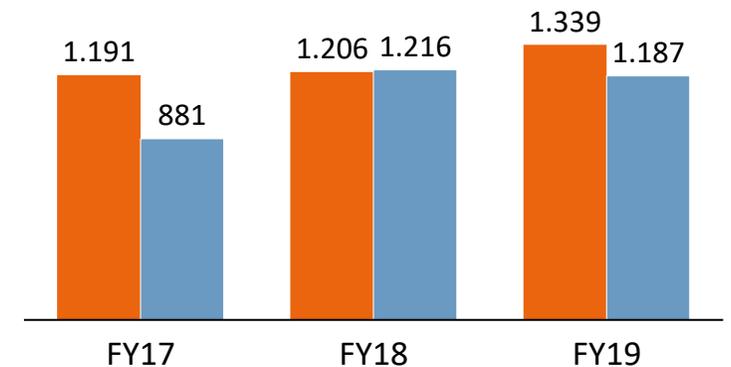
EUR ~400m cost reduction<sup>1</sup> by 2020 compared with 2016 full-year expense base (EURm)



Annual earnings growth of 5-7% on average in the medium term<sup>2</sup> (EURm)



Over time, generate free cash available to shareholders in a range around the net operating result<sup>3</sup> (EURm)



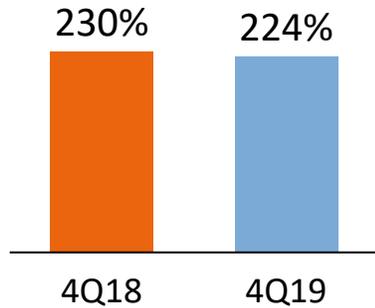
Net operating result Free cash flow



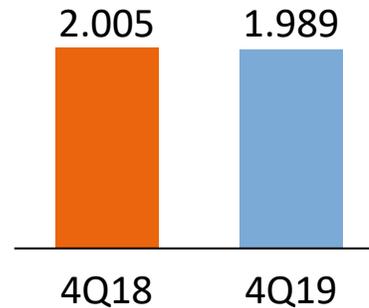
1. In total for the following units: Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking and Corporate / Holding entities, excluding acquisitions as from 2019. Expense base adjusted for reclassification of certain expenses, please refer to the NN Group pro forma financial supplement 2018
2. Annual growth rate of operating result before tax on average in the medium term; based on 2017 operating result
3. Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity; assuming normal markets, no material regulatory changes and no material special items other than restructuring charges

# We continue to prioritise a strong balance sheet

Solvency II ratio<sup>1</sup>



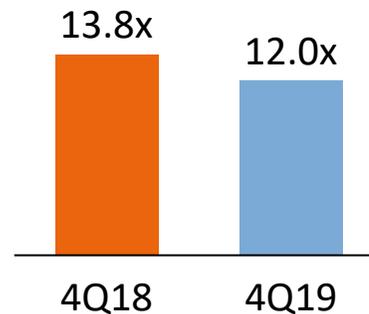
Cash capital at holding



Financial leverage ratio



Fixed cost coverage ratio



- Solid capital position
  - Estimated Solvency II ratio of approximately 225% at end of April 2020
- Longevity reinsurance transaction completed in May 2020
- Conservative asset mix, heavily geared to high quality government bonds
- Healthy cash capital at holding, with target range of EUR 0.5-1.5bn
- Consistent and diversified capital flows from all segments
- Credit rating: A (S&P), A+ (Fitch)
- Interest cover at a comfortable level

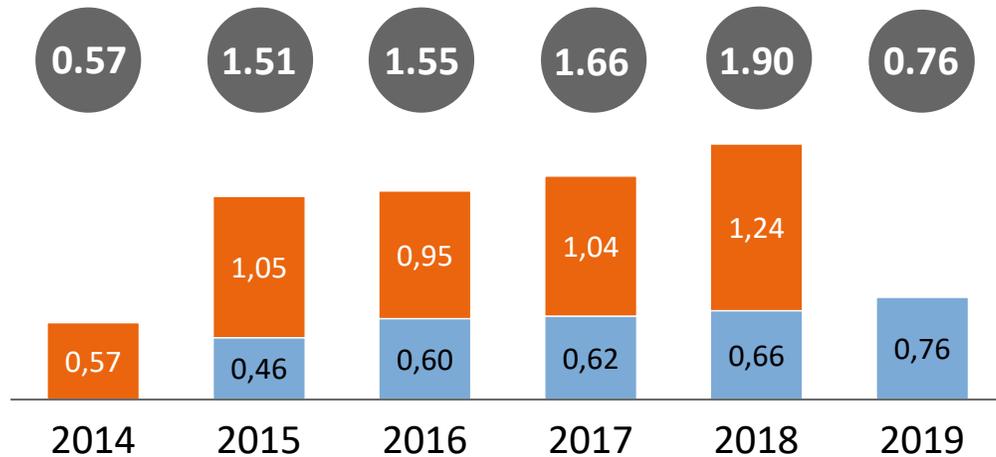
# Updated dividend policy

## Clear guidance on capital returns

- Progressive dividend per share going forward
- Interim dividends continue to be calculated as 40% of prior year full-year dividend per share
- Recurring annual share buyback of at least EUR 250m
- Additional excess capital to be returned to shareholders unless it can be used for value-creating opportunities

## Temporary suspension of distributions

- In light of the COVID-19 pandemic, distributions to shareholders postponed in line with recommendations of EIOPA and DNB
- Proposed 2019 final dividend of EUR 1.40 and EUR 250m share buyback programme (73% completed) temporarily suspended
- Intention to make these distributions to shareholders in the second half of 2020

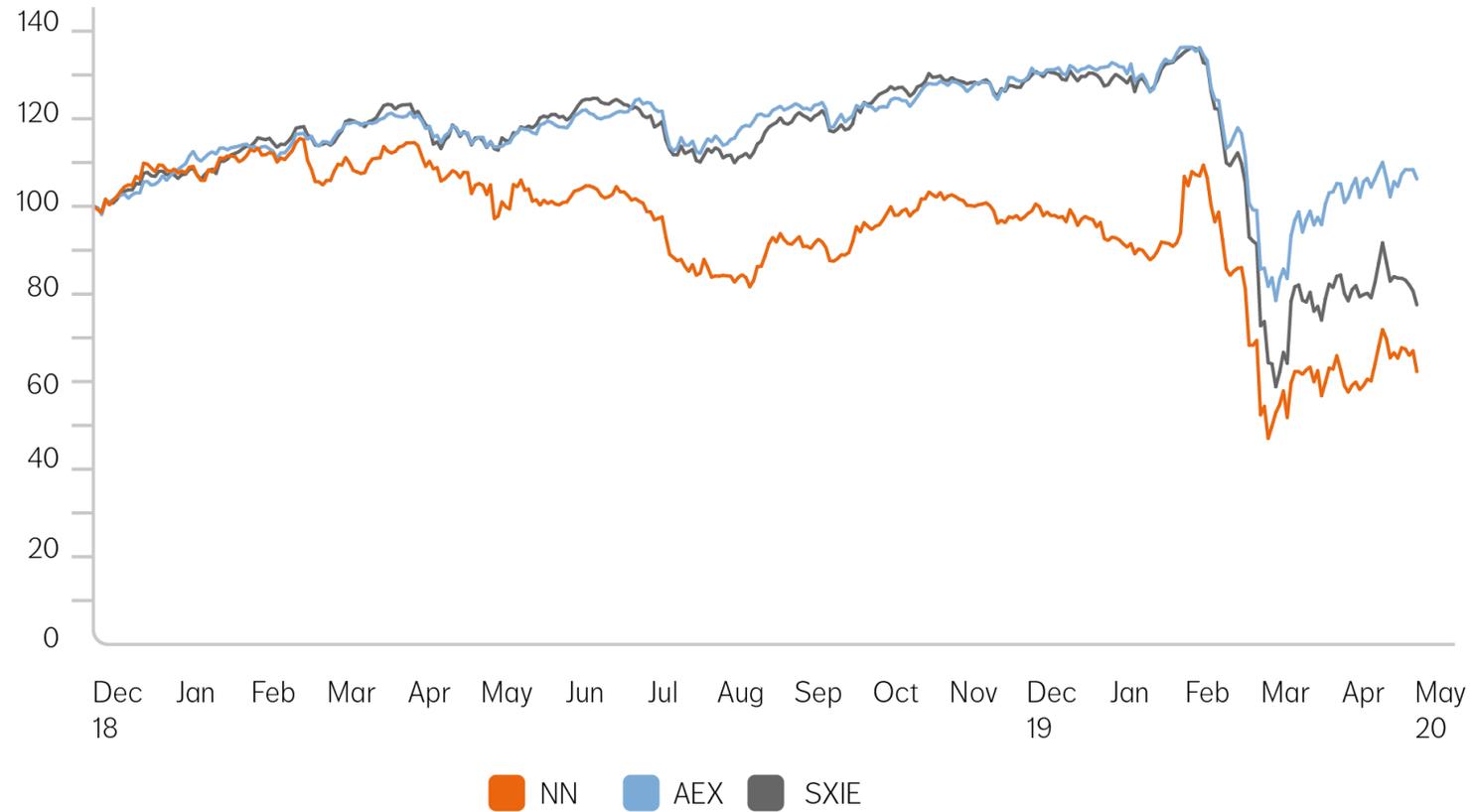


Pay-out ratio <sup>1</sup>	<b>41%</b>	<b>52%</b>	<b>45%</b>	<b>50%</b>
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■ Interim dividend per share (EUR)     ● Total dividend per share (EUR)  
■ Final dividend per share (EUR)

1. Pay-out ratio is based on the net operating result before the deduction of the accrued coupon on undated subordinated notes classified in equity

# Share price performance





Creating a positive impact on society

NN Future Matters

Sustainability

Diversity

Active engagement

ESG integration



# Looking forward



**Bernhard Kaufmann**

## **CRO as of 1 June 2020**

- Responsible for the overall risk framework
- In financial services since 1999
- Previous roles include: CRO at Munich Re Group and CRO at ERGO Insurance Group



**Tjeerd Bosklopper**

## **CEO Netherlands Non-life, Banking & Technology as of 1 June 2020**

- Responsible for the Dutch Non-life, Banking segments, Customer & Commerce as well as for the Strategic Transformation Office and IT
- Appointed to the MB in 2018
- Previous roles include: Head of Individual Life at NN Group in the Netherlands, and CEO at Nationale-Nederlanden Life & Pensions in Poland



**Leon van Riet**

## **CEO Netherlands Life & Pensions as of 1 June 2020**

- Responsible for the Dutch Life and Pension businesses.
- More than 20 years of experience in the financial services industry
- Previous roles include: CEO Nationale-Nederlanden Non-life and member of the EB at Delta Lloyd



**NN**

## Agenda item 2

# 2019 Annual Report

- See 2019 Annual Review
- See 2019 Financial Report

## Agenda item 3

# 2019 annual accounts

### 3.A. Proposal to adopt the annual accounts for the financial year 2019

See pages 40 through 178 of the 2019 Financial Report



# Audit of the 2019 annual accounts of NN Group N.V.

**Presentation to the Annual General Meeting of Shareholders of NN Group N.V.**

**28 May 2020**

# Independent auditor's report

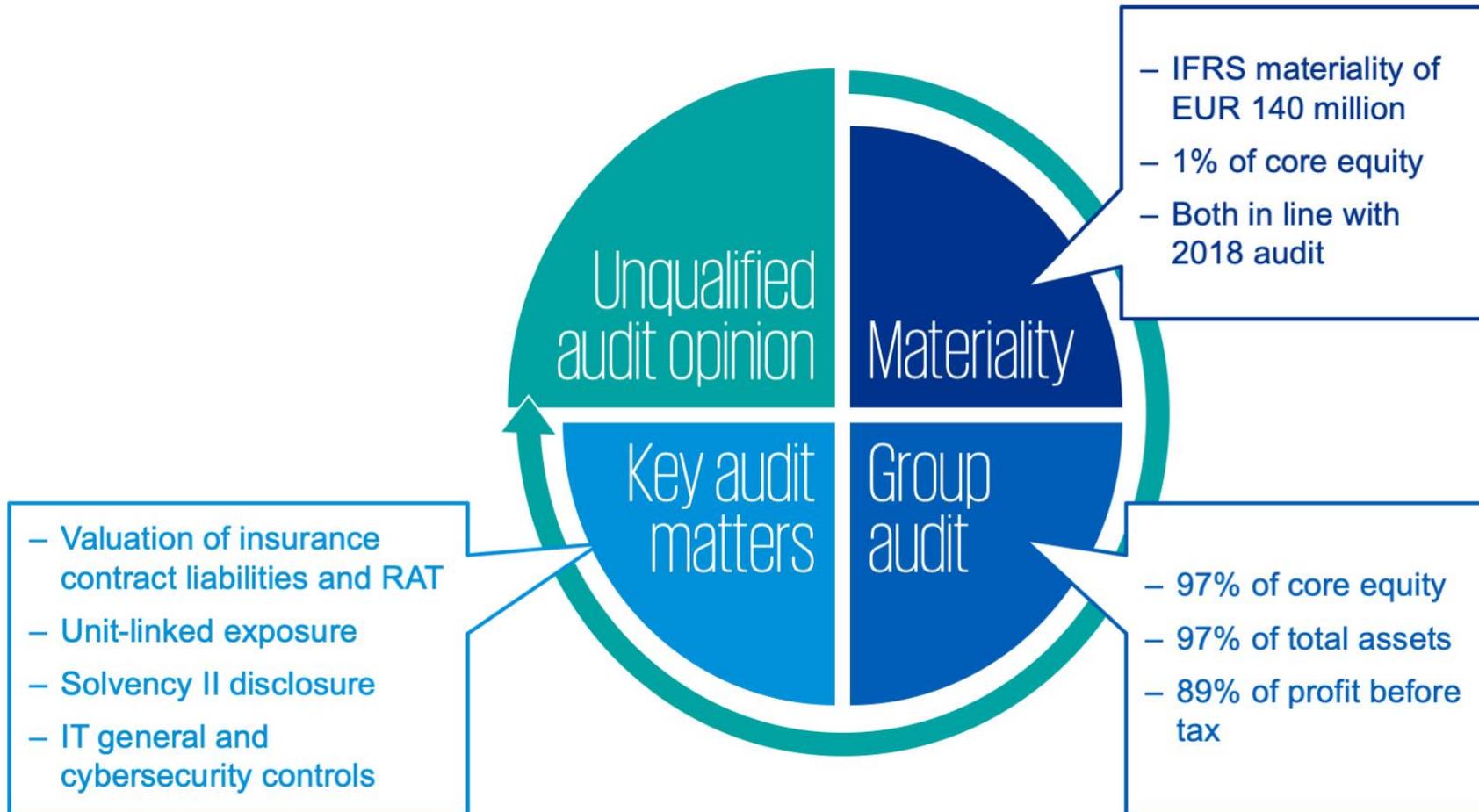
## What work did we perform?

- Audit of the 2019 consolidated and parent company annual accounts in accordance with Dutch law, including the Dutch Standards on Auditing.
- Verification that the Annual Review contains the information as required by Part 9 of Book 2 of the NL Civil Code.
- Based on our knowledge and understanding obtained through our audit of the annual accounts or otherwise, we have not observed any material misstatements in the Annual Review and the information provided is consistent with the annual accounts.
- Confirmation of our independence to NN Group.
- Assurance engagement (review) of the 2019 non-financial information in the Annual Review.

Our audit opinion on the consolidated and parent company annual accounts – **Unqualified**

Our conclusion on the review of non-financial information – **Unqualified**

# Key matters of our audit approach





Thank you

## Agenda item 3

# 2019 annual accounts

### 3.A Proposal to adopt the annual accounts for the financial year 2019

See pages 40 through 178 of the 2019 Financial Report

## Agenda item 3.A

# Proposal to adopt the annual accounts for the financial year 2019

	Number	%
In favour	233,159,563	100.00
Against	347	0.00
Abstain	612,821	

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## Agenda item 3

# 2019 annual accounts

### 3.B Explanation of the profit retention and distribution policy

- On 13 February 2020, NN Group announced its updated dividend policy
- Going forward, NN Group intends to pay a progressive ordinary dividend per share
- Dividends to be paid either in cash or ordinary shares and the company intends to neutralise the dilutive effect of the stock dividend
- NN Group also intends to execute a recurring annual share buyback of at least EUR 250m
- Additional excess capital to be returned to shareholders unless it can be used for value-creating opportunities

## Agenda item 3

# 2019 annual accounts

### 3.B Explanation of the profit retention and distribution policy

- On 13 February 2020, NN Group announced its intention to propose a 2019 final dividend of EUR 1.40 per ordinary share
- In light of the COVID-19 pandemic, NN Group announced on 6 April 2020 that it would follow the recommendations of EIOPA and DNB and temporarily suspend its dividend distributions and share buyback programme
- NN Group intends to make these distributions to shareholders in the second half of 2020, if and at such time that this is considered appropriate in light of COVID-19 developments

## Agenda item 4

# Release from liability

### **4.A Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2019**

It is proposed to release the current and former members of the Executive Board from liability for their respective duties performed during the financial year 2019, insofar as the exercise of those duties is reflected in the 2019 annual accounts or otherwise disclosed prior to taking this resolution.

## Agenda item 4.A

# Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2019

	Number	%
In favour	226,179,001	97.04
Against	6,895,027	2.96
Abstain	698,703	

## Agenda item 4

# Release from liability

### **4.B Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2019**

It is proposed to release the current and former members of the Supervisory Board from liability for their respective duties performed during the financial year 2019, insofar as the exercise of those duties is reflected in the 2019 annual accounts or otherwise disclosed prior to taking this resolution.

## Agenda item 4.B

# Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2019

	Number	%
In favour	226,179,001	97.04
Against	6,895,027	2.96
Abstain	698,703	

## Agenda item 5

# Profile of the Supervisory Board

- The Supervisory Board intends to amend its profile
- The intended profile was discussed with the Central Works Council of NN Group
- Intended amendments:
  - replace the out-of-date term 'e-business' by 'transformation'
  - include a more concise description of the HR related areas of competence
  - delete clause 2.7, because governance on the Supervisory Board's remuneration policy and remuneration is already comprehensively laid down in the Supervisory Board Charter
  - amend clause 3.10 to stress that the experience requirements can collectively be met

## Agenda item 6

# Composition of the Supervisory Board

## 6.A Proposal to reappoint Clara Streit as member of the Supervisory Board

- Nominated for reappointment for a term of four years
- Independent within the meaning of the Dutch Corporate Governance Code
- Nomination in accordance with the profile of the Supervisory Board
  
- Most important other positions
  - Member of the board of directors of Vontobel Holding AG (Zurich)
  - Member of the supervisory board of Vonovia SE (Dusseldorf)
  - Member of the board of directors of Jerónimo Martins SGPS S.A. (Lisbon)
  - Member of the supervisory board of Deutsche Börse AG (Frankfurt)



## Agenda item 6.A

# Proposal to reappoint Clara Streit as member of the Supervisory Board

	Number	%
In favour	199,724,041	85.83
Against	32,978,431	14.17
Abstain	1,070,259	

## Agenda item 6

# Composition of the Supervisory Board

## 6.B Proposal to reappoint Robert Jenkins as member of the Supervisory Board

- Nominated for reappointment for a term of four years
- Independent within the meaning of the Dutch Corporate Governance Code
- Nomination in accordance with the profile of the Supervisory Board
  
- Other position
  - Adjunct professor of finance at the London Business School



## Agenda item 6.B

# Proposal to reappoint Robert Jenkins as member of the Supervisory Board

	Number	%
In favour	226,821,279	97.60
Against	5,578,644	2.40
Abstain	1,372,808	

# Agenda item 7

## Remuneration - introduction

- On 1 December 2019 part of the Dutch law implementing the revised EU Shareholders' Rights Directive (2017/828/EU) ('SRDII Implementation Act') entered into force:
  - 2019 Remuneration Report subject to the General Meeting's advisory vote
  - new requirements for the remuneration policy for the members of the Executive Board
  - detailed remuneration policy for the members of the Supervisory Board
- In order to comply with new requirements it is proposed to:
  - give a positive advice on the 2019 Remuneration Report
  - amend/adopt the remuneration policies for the members of the Executive Board and Supervisory Board
  - amend the articles of association of NN Group

## Agenda item 7

# Remuneration policies Executive Board/Supervisory Board

- Extensive stakeholder consultation in relation to possible changes in the Executive Board and Supervisory Board remuneration policies, which included shareholders, proxy advisors, shareholder interest representation groups, employees, regulators and clients/public
- Subject of high interest amongst many different stakeholders; stakeholder interests are not always aligned
- Careful balance, taking into account all feedback, views and interests of the various stakeholders
- Guiding principles included: simple and transparent

## Agenda item 7

# Remuneration policies Executive Board/Supervisory Board

### Proposed amendments Executive Board

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The level of total compensation compared to benchmark median is changed from “just below median” to “below median”

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A performance range is included for the performance measures/KPIs used to determine the variable remuneration award

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The peer group for benchmarking: from two peer groups to one European cross-industry peer group

### Proposed amendments Supervisory Board

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Amended fee structure for the various Supervisory Board positions:

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- Fees for additional meetings and international attendance have been abolished
  - Differentiation has been abolished for Committee fees and the gross fixed expense allowances
- 

Same peer group as used for benchmarking the Executive Board remuneration levels

## Agenda item 7

# 2019 Remuneration Report

- David Knibbe was appointed as member and chair of the Executive Board and CEO of NN Group on 1 October 2019
- David Knibbe succeeded Lard Friese, who stepped down as of 12 August 2019
- The annual base salary of David Knibbe amounts EUR 1,775,000, with an annual target variable remuneration opportunity of 16% of base salary, and a maximum variable remuneration award of 20%
- No changes in the base salary of Delfin Rueda, the CFO of NN Group have been adopted throughout 2019

### 2019 Remuneration of Messrs. Friese, Knibbe and Rueda in their capacity of Executive Board member:

In EUR 1,000 and gross

	Lard Friese	David Knibbe	Delfin Rueda
Base salary (80% in cash / 20% in NN shares)	1,061	444	1,421
Variable remuneration	0	71	284
<b>Total direct remuneration</b>	<b>1,061</b>	<b>515</b>	<b>1,705</b>

## Agenda item 7

# Remuneration

### 7.A Proposal to give a positive advice on the 2019 Remuneration Report

- See pages 32 through 37 of the 2019 Financial Report

## Agenda item 7.A

# Proposal to give a positive advice on the 2019 Remuneration Report

	Number	%
In favour	215,468,850	93.17
Against	15,795,048	6.83
Abstain	2,508,833	

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## Agenda item 7

# Remuneration

## 7.B Proposal to adopt the remuneration policy for the members of the Executive Board

## Agenda item 7.B

# Proposal to adopt the remuneration policy for the members of the Executive Board

	Number	%
In favour	220,126,587	94.60
Against	12,574,915	5.40
Abstain	1,071,229	

## Agenda item 7

# Remuneration

## 7.C Proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board

## Agenda item 7.C

# Proposal to adopt the remuneration policy and remuneration for the members of the Supervisory Board

	Number	%
In favour	227,057,568	97.57
Against	5,643,960	2.43
Abstain	1,071,203	

## Agenda item 7

# Remuneration

### 7.D Proposal to amend the articles of association of NN Group

- The proposed amendments are almost all related to the SRDII Implementation Act

## Agenda item 7.D

# Proposal to amend the articles of association of the Company

	Number	%
In favour	233,269,056	100.00
Against	97	0.00
Abstain	503,578	

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## Agenda item 8

# Authority to issue shares and to grant rights to subscribe for shares

### 8.A.(i) Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares

- For a term of 18 months
- Maximum of 10% of the issued share capital of NN Group as at 28 May 2020

## Agenda item 8.A (i)

# Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares

	Number	%
In favour	231,693,678	99.31
Against	1,611,928	0.69
Abstain	467,125	

## Agenda item 8

# Authority to issue shares and to grant rights to subscribe for shares

**8.A.(ii) Proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8.A.(i)**

- For a term of 18 months

## Agenda item 8.A (ii)

**Proposal to designate the Executive Board as the competent body to resolve to limit or exclude preemptive rights of existing shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares pursuant to agenda item 8.A.(i)**

	Number	%
In favour	231,477,853	99.22
Against	1,827,753	0.78
Abstain	467,125	

# Agenda item 8

## Authority to issue shares and to grant rights to subscribe for shares

### 8.B Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issue

- Authority to issue ordinary shares and to grant rights to subscribe for such shares by way of a rights issue
- For a term of 18 months
- Maximum of 20% of the issued share capital of NN Group as at 28 May 2020

## Agenda item 8.B

**Proposal to designate the Executive Board as the competent body to resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares by way of a rights issue**

	<b>Number</b>	<b>%</b>
In favour	221,409,531	94.90
Against	11,896,075	5.10
Abstain	467,125	

## Agenda item 9

# Proposal to authorise the Executive Board to acquire ordinary shares in NN Group's share capital

- For a term of 18 months
- Shareholding shall not exceed 10% of the issued share capital of NN Group as at 28 May 2020

## Agenda item 9.

# Proposal to authorise the Executive Board to acquire ordinary shares in the Company's share capital

	Number	%
In favour	231,286,239	99.15
Against	1,973,892	0.85
Abstain	512,600	

## Agenda item 10

# Proposal to reduce the issued share capital by cancellation of ordinary shares held by NN Group

- Maximum of 20% of the issued share capital as at 28 May 2020
- Cancellation may be executed in one or more tranches
- Number of ordinary shares to be cancelled shall be determined by the Executive Board

## Agenda item 10.

# Proposal to reduce the issued share capital by cancellation of ordinary shares held by the Company

	Number	%
In favour	231,825,262	99.37
Against	1,479,473	0.63
Abstain	467,996	

## Agenda item 11

# Any other business and closing



**NN**

### Important legal information

NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the 2019 NN Group Consolidated Annual Accounts.

All figures in this document are unaudited. Small differences are possible due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which NN Group operates, on NN Group's business and operations and on NN Group's employees, customers and counterparties (3) changes in performance of financial markets, including developing markets, (4) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties contained in recent public disclosures made by NN Group.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

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