Annual General Meeting NN Group N.V.

The Hague, 1 June 2017

NN

Agenda item 1

Opening

Agenda item 2

2016 Annual Report

See 2016 Annual Review

See 2016 Financial Report

NN Group 2016 Annual Report
‘Securing Financial Futures’

Lard Friese, CEO NN Group

Annual General Meeting - The Hague, 1 June 2017

NN

Welcome on behalf of the Management Board

Lard Friese *
Chief Executive Officer (CEO)

Delfin Rueda *
Chief Financial Officer (CFO)

David Knibbe
CEO Netherlands Insurance

Dorothee van Vredenburch
Chief Change and Organisation

Jan-Hendrik Erasmus
Chief Risk Officer and global IT

Robin Spencer
CEO International Insurance

Satish Bapat
CEO NN Investment Partners

* Members of the Executive Board

The 2016 Annual Report provides an integrated review of the performance of our company

- In accordance with applicable Dutch law and IFRS, as well as with Global Reporting Initiative's G4 guidelines (GRI) and the guidelines of the International Integrated Reporting Council (IIRC)
- Aligns relevant information about our strategy, governance systems, performance and future prospects in a way that reflects the economic, environmental and social contexts in which we operate
- Theme: 'Securing financial futures'

Our key figures: financial highlights 2016

Operating result

EUR 1,227m

(2015: EUR 1,435m)

Net result

EUR 1,189m

(2015: EUR 1,565m)

Net operating ROE

8.1%

(2015: 10.8%)

Solvency ratio

241%

(2015: 239%)

New sales life insurance

EUR 1,386m

(2015: EUR 1,295m)

NN IP Assets under Management

EUR 195bn

(2015: EUR 187bn)

Our key figures: non-financial highlights 2016

Net promoter score

+2 points

(2015: +6 points)

Assets under Management in SRI funds/mandates

EUR 5bn

(2015: EUR 4.5bn)

Employee engagement

71%

(2015: 73%)

Donations to charitable organisations

EUR 1.5m

(2015: EUR 1.5m)

Young people reached via Future Matters

27,529

(2015: 9,069)

NN Group was CO_2 neutral throughout 2016

100% neutral

(2015: 100% neutral)

NN

Strategy and value creation

Executing on opportunities to create value

2016

April 2016
ING sells remaining stake in NN Group

May 2016
NN Group acquires Notus Financial Advisors in Poland

July 2016
Sale of Mandema & Partners to Van Lanschot Chabot

October 2016
Announcement of intended offer for Delta Lloyd; Transfer of Irish reinsurance portfolio to Canada Life

December 2016
NN Group and Delta Lloyd agree on recommended transaction

2017

February 2017
Launch of tender offer for Delta Lloyd shares

April 2017
- Agreement with Global Bankers Insurance Group on sale of NN Life Luxembourg
- Offer for Delta Lloyd declared unconditional; start integration Delta Lloyd with the Dutch and Belgian activities of NN Group

NN

The combination with Delta Lloyd is strategically and financially compelling

An improved **customer proposition** within the **Dutch pension market** and increased **scale**	**Doubling the size** of the **Non-life** insurance business	**Acceleration** of the **asset management** strategy
Doubling the presence in **Belgium**	Increased **size and scale** of the **banking business**	Strengthening **distribution** capabilities ABN·AMRO OHRA Direct geregeld
Better placed to capture opportunities that **technological innovation** brings	Increased possibilities for **knowledge sharing**, **strengthening capabilities**, and **talent management**	Prospects for **growth**, and **opportunities** for the employees of both companies

- Expected pre-tax cost synergies of EUR 150m by 2020 across the businesses
- Expected increase of free cash flow available to shareholders of EUR 100–150m initially, rising to EUR 250–300m per annum by 2020
- Double digit increase in dividend per share anticipated for 2018

Continued focus on delivering an excellent customer experience

Transparent products and services

- NN Life launched roll-over pension product and service providing insight in your pension
- NN Romania launched private health insurance
- NNIP expanded client options in low-yield environment

Effective and efficient operations

- NN Bank improved mortgage interest rate renewal process
- NN Life closed book partly transferred to new IT system

Multi-access distribution

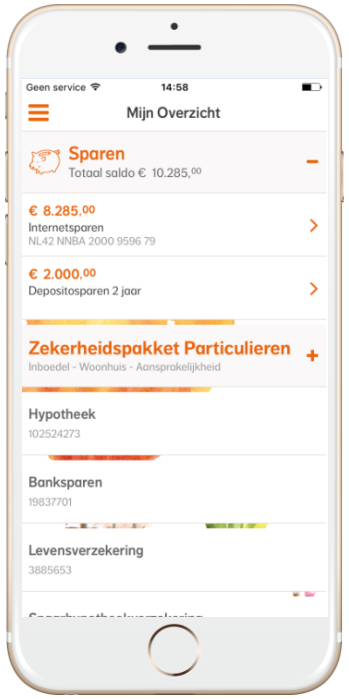
- More products available in NN app and My NN portal
- NN Life Japan's distribution agreement with Sumitomo
- Nationale Algemeen Pensioen Fonds (by AZL/NN IP)

Innovation

- Our drive for innovation is about improving customer experience, intuitive interaction, and efficiency
- Innovation allows us to make the company stronger and to optimally prepare our business for the future

Some examples in the Dutch market

All products available in NN App

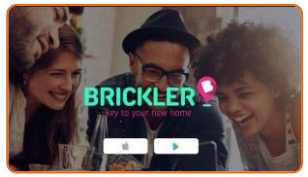


Price

Brand

Quality

Prospects browsing on Nationale-Nederlanden website: customer segmentation - based on analytics



NEDERLANDS CYBER COLLECTIEF

Gappie

SPARKLAB by NN

Examples from our international business and NN IP

Nationale-Nederlanden Spain's concept of a paperless sales process was introduced in Poland, Czech Republic and Slovakia

To further support our agents in Japan, we launched an intuitive service platform aimed at improving the quality of service

During the severe storm in Belgium in 2016, an NN Mobile Office was set up to help customers settle their claims

FITVERMOGEN.NL
Powered by NN Investment Partners

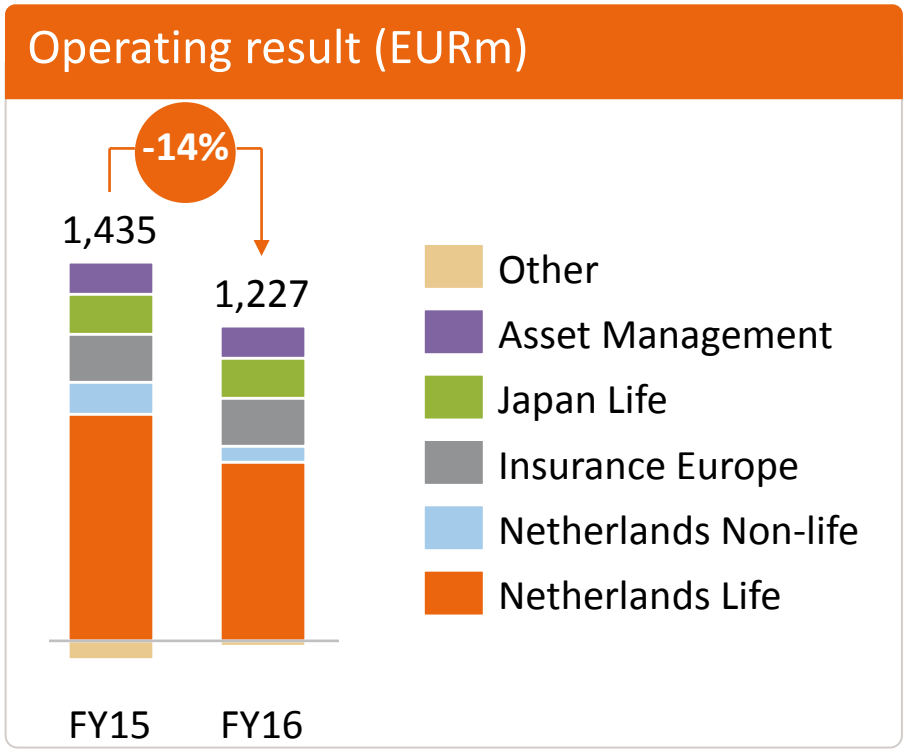
'FitVermogen.nl' won the CASH innovation award and the CashCow Award for best online asset manager

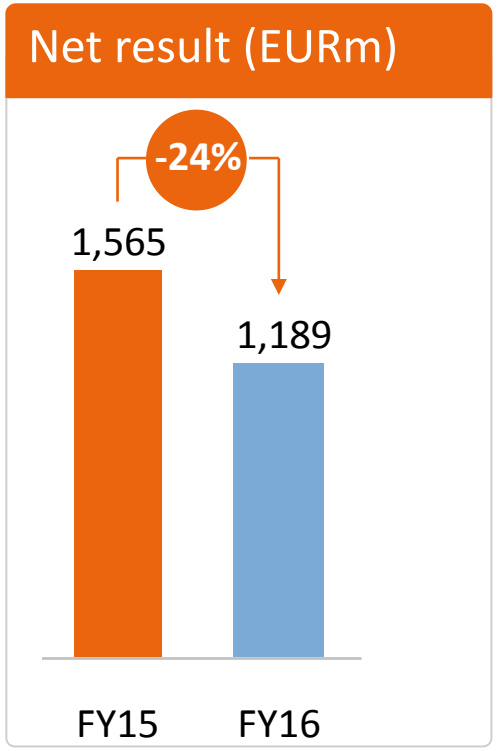
NN IP is exploring digital solutions, such as roboadvice

NN IP also expanded the sustainable solutions range through the launch of innovative impact funds, both in equity and fixed income, as well as a sustainable multi-asset fund

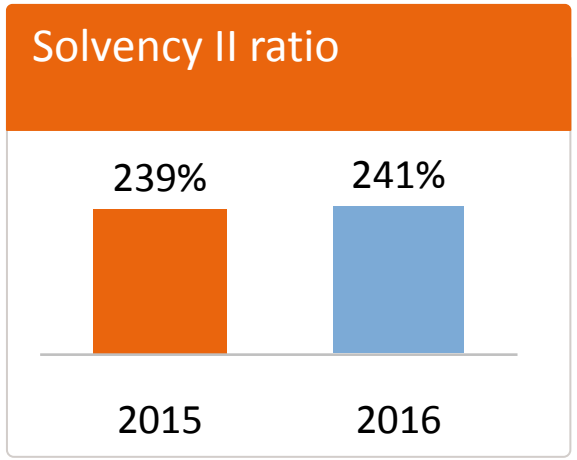
Financial overview

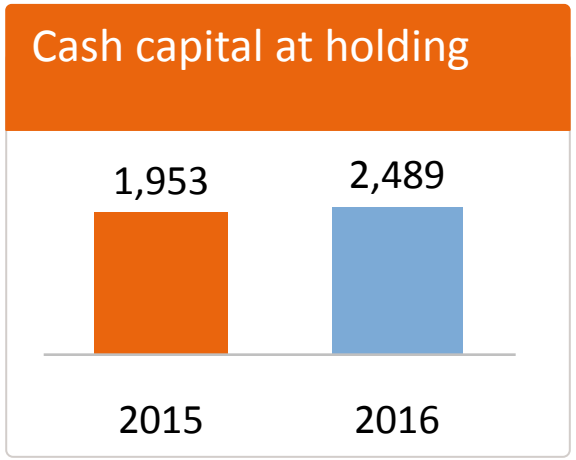
2016 full-year results

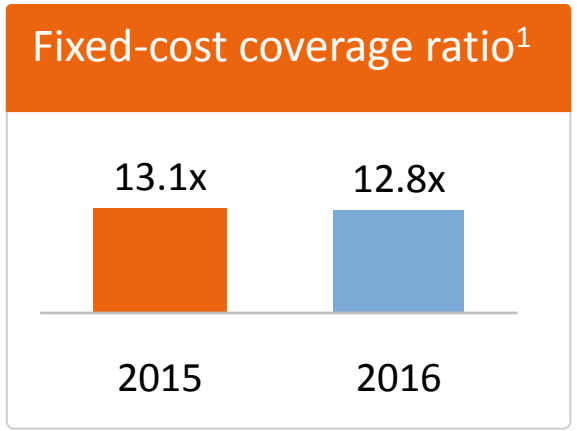


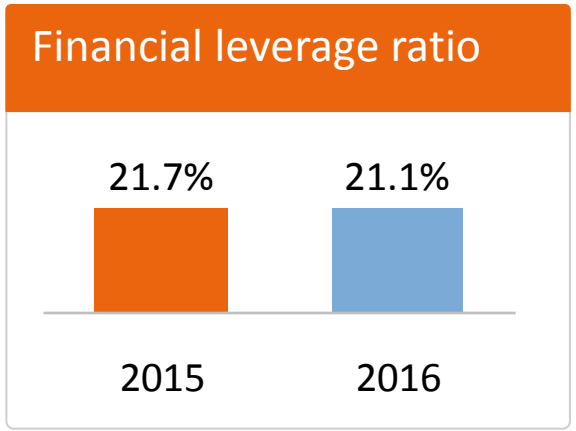


Disciplined capital management









- Successful issue of EUR 500m of senior unsecured debt and EUR 850m of subordinated debt in January 2017
- Proceeds used to repay existing debt
- Dual-tranche senior notes for a total amount of EUR 900m issued in May 2017
- Proceeds to be used to repay bridge loan used to finance acquisition of Delta Lloyd

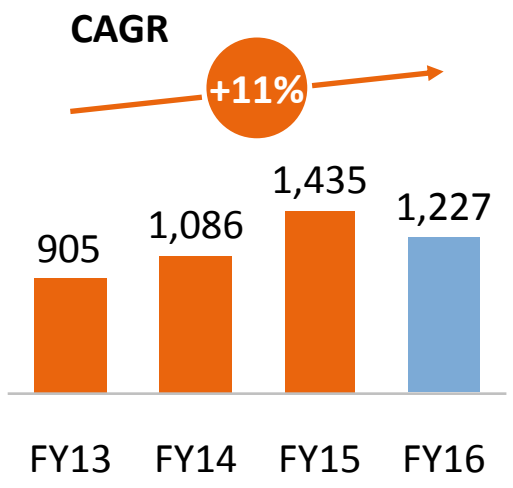
All numbers at end of period

1. Calculated on a last 12-months basis

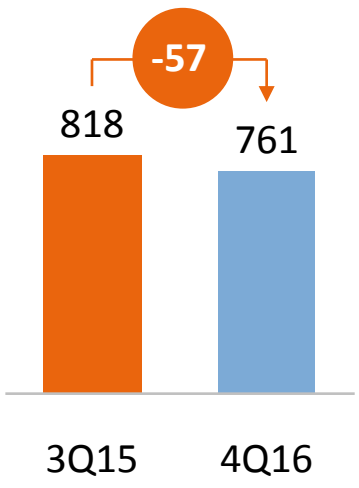
NN

Delivering on our financial targets

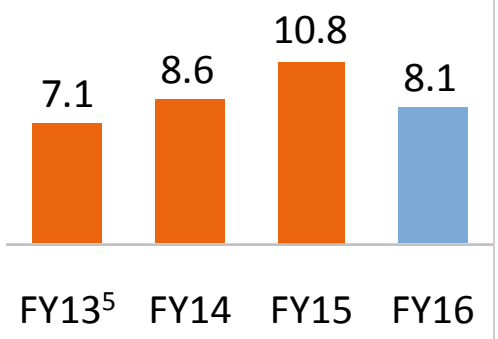
Annual earnings[1] growth of 5-7% on average in the medium term (EURm)



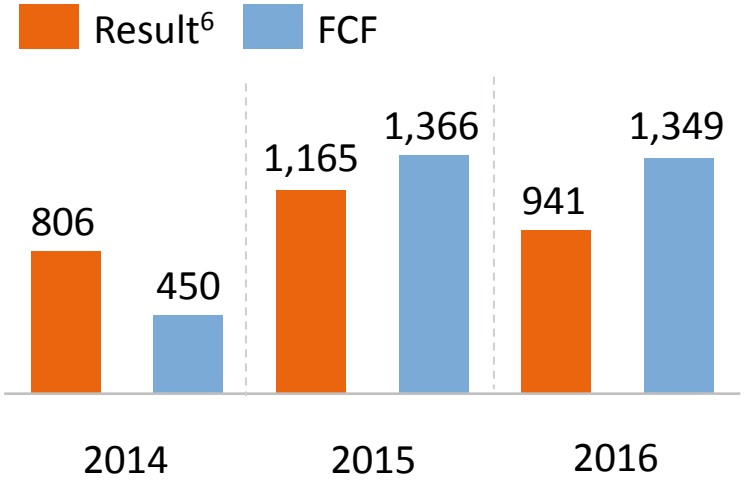
Target administrative expense base in the Netherlands[2] of EUR 685m by 2018 (EURm)



Increase in ROE[3] in medium term (%)



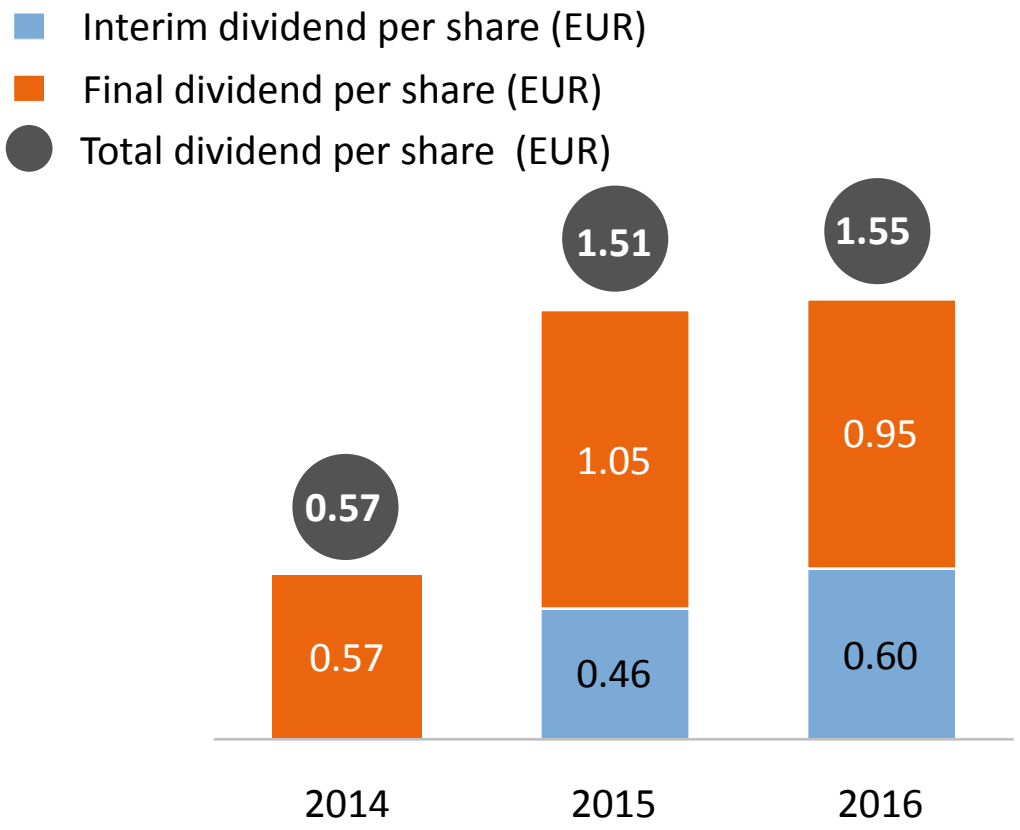
Generate free cash available to shareholders in a range around the net operating result of the ongoing business[4] (EURm)



1. Operating result before tax ongoing business; 2. Administrative expenses of Netherlands Life, Netherlands Non-life and corporate/Holding; Expense base calculated on a last 12-months basis; 3. Net operating ROE ongoing business; 4. Assuming normal markets and no material special items; 5. Pro-forma based on adjusted allocated equity including the impact of pre-IPO capital injection and pension plan transactions in 2014; 6. Net operating result of the ongoing business;

Delivering on our dividend policy

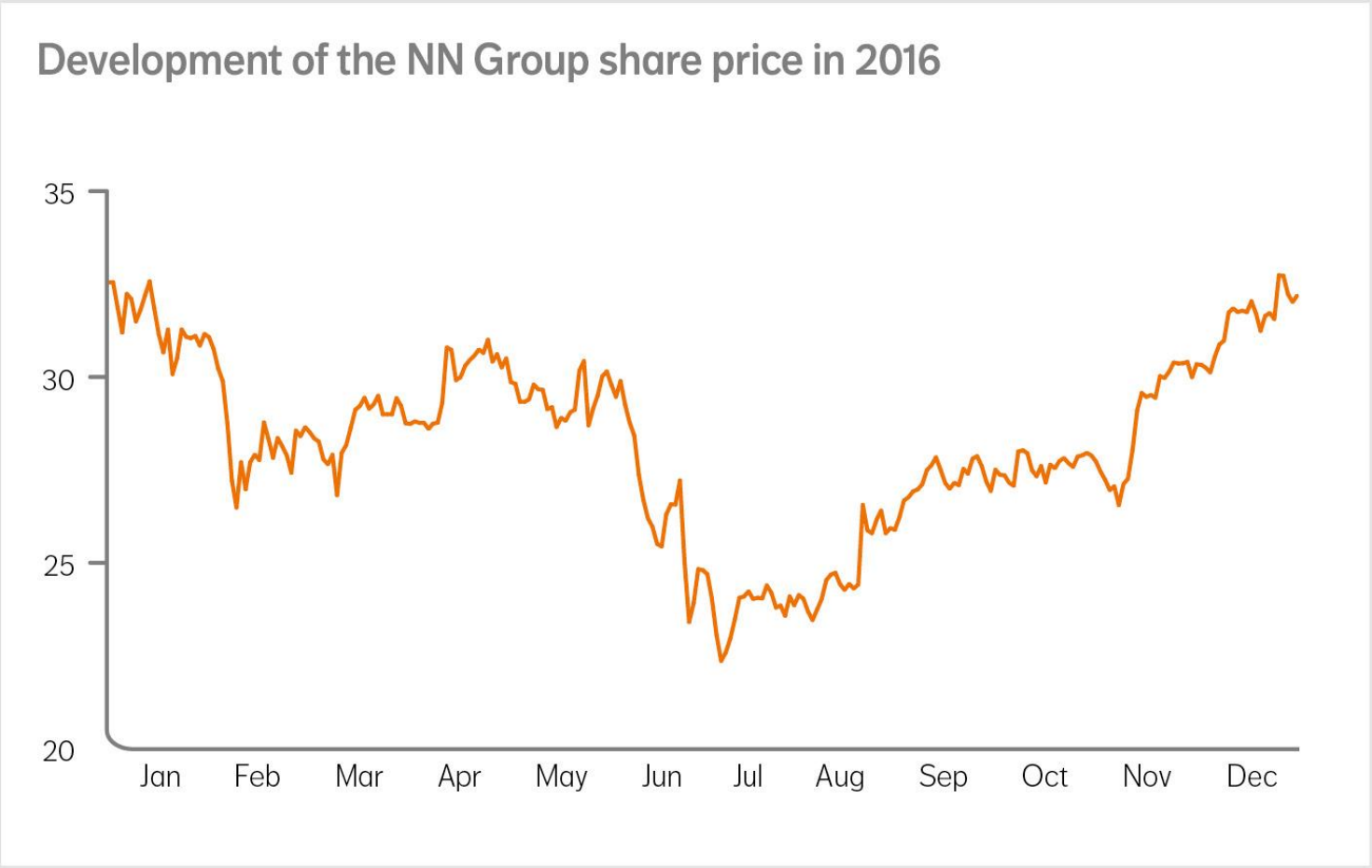
Sustainable and predictable dividends in line with dividend policy



Excess capital returned to shareholders, unless it can be used for value creating corporate opportunities

- Capital generated in excess of NN Group's capital ambition (which may change over time), is expected to be returned to shareholders unless it can be used for any other appropriate corporate purposes, including investments in value creating corporate opportunities
- Proposed 2016 final dividend of EUR 0.95 per share, bringing total FY16 dividend to EUR 1.55 per share, equivalent to a pay-out ratio of ~51% of FY16 net operating result of ongoing business
- Since IPO, EUR 2.1bn of capital returned to shareholders, including share buyback programme and proposed 2016 final dividend

Development of the NN Group share price in 2016



Total Shareholder Return

- 2016 4.0%
- IPO – 31 December 2016: 74.4%

Going forward

Highlights 1Q17

Operating result
EUR 406m
(1Q16: EUR 305m)

Net result
EUR 435m
(1Q16: EUR 270m)

Net Operating ROE
9.9%
(1Q16: 8.6%)

Holdco cash capital
EUR 3.0bn
(4Q16: EUR 2.5bn)

Solvency II ratio
238%
(4Q16: 241%)

Pro-forma 'combined' Solvency II ratio
~180%[1]

- Operating result up 33%, driven by higher results in all segments
- Further cost savings of EUR 14m in the Netherlands bringing expense base down to EUR 748m
- Strong commercial momentum: APE up 28% from 1Q16 on a constant currency basis; net third party inflows of EUR 2.1bn at Asset Management; EUR 1.1bn of mortgage production at NN Bank
- Strong capital position: NN Group Solvency II ratio at 238%; holding company cash capital at EUR 3.0bn

1. Pro-forma 1Q17 Solvency II ratio of NN Group including Delta Lloyd, includes among other items the cost of acquiring Delta Lloyd, estimates for actuarial assumptions alignment, initial capital synergies, restructuring costs, and the Fonds NutsOHRA transaction

NN

Revised Dutch Corporate Governance Code

- On 8 December 2016, the revised Dutch Corporate Governance Code (Code) was published and presented to the Minister of Economic Affairs
- Provided that the Code is embedded in the law in 2017, Dutch listed companies are obliged to report about their compliance with the principles and best practice provisions laid down in the Code with respect to the financial year 2017
- NN Group already complies with most principles and best practice provisions laid down in the revised Code. To the extent required, NN Group is taking necessary steps to fully comply with the revised Code in 2017

Wrap up

Executing on opportunities to create value

- 2016 was an important year for NN Group; major steps taken to build a sustainable business for the future
- Combination with Delta Lloyd is strategically and financially compelling
- Priorities going forward:
  - Successfully integrate Delta Lloyd into the NN organisation
  - Continue to actively manage the balance sheet
- NN Group aims to be a company that truly matters in the lives of our stakeholders: customers, shareholders, employees, business partners and society at large

NN

Agenda item 3

Implementation of the remuneration policy during the financial year 2016

See Remuneration Report - pages 23 through 27, and 115 through 117 of the 2016 Financial Report.

Agenda item 3 (continued)

Implementation of the remuneration policy during the financial year 2016

See Remuneration Report - pages 23 through 27, and 115 through 117 of the 2016 Financial Report.

- A clear and transparent remuneration policy to attract and retain qualified employees
- Remuneration policy for the Executive Board: a fixed salary and a variable reward of up to 20%
- Fixed salary: 80% in cash; 20% in NN Group shares
- Variable remuneration: based on the outcome of NN Group performance indicators and individual performance indicators (financial and non-financial)

Agenda item 3 (continued)

Implementation of the remuneration policy during the financial year 2016

- Mr Friese's reward lies well below the median of the peer group; the reward of Mr Rueda is below the median
- The Supervisory Board has decided to increase the basic salary of Mr Friese by 10% from 1 January 2017, and with 15% from 1 January 2018
- The Supervisory Board has decided to increase the basic salary of Mr Rueda with 5% from 1 January 2017, and with 10% from 1 January 2018
- Following this increase, salaries of members of the Executive Board are still under the median as stipulated in the remuneration policy

64.22 % represented at today's AGM

- On Record Date, 4 May 2017, the issued capital of the company consisted of 343,600,608 ordinary shares
- No votes can be cast on 13,949,925 ordinary shares as those shares were held by NN Group on Record Date
- Consequently, a total of 329,650,683 votes are eligible for casting
- In total 211,714,045 votes can be cast during today's meeting
- 210,741,271 votes will be cast by Ms M.A.J. Cremers, civil-law notary in Amsterdam, by means of proxy via the electronic voting platform

Agenda item 4A – Voting item

2016 annual accounts

4A. Proposal to adopt the annual accounts for the financial year 2016

See 2016 Financial Report pages 31 – 162

NN

External auditor on annual accounts

Agenda item 4A – Voting item

2016 annual accounts

4A. Proposal to adopt the annual accounts for the financial year 2016

See 2016 Financial Report pages 31 – 162

Voting / Stemmen

Insert the card with the gold chip pointing towards you

When you are invited to vote, the options will appear on the device screen.

Voer de kaart in met de gouden chip naar u toe

Wanneer u wordt uitgenodigd om te stemmen, verschijnen de opties in het beeldscherm.

Voting / Stemmen

- **Button 1 to vote in favour**
- **Button 2 to vote against**
- **Button 3 to abstain**

Confirmation will appear on the screen

To change your vote, simply enter your new choice

- **Toets 1 om voor te stemmen**
- **Toets 2 om tegen te stemmen**
- **Toets 3 voor onthouding**

Een bevestiging dat uw stem is ontvangen, verschijnt

Om uw stem te wijzigen, drukt u opnieuw op een toets

Agenda item 4A – Voting item

2016 annual accounts

4A. Proposal to adopt the annual accounts for the financial year 2016

See 2016 Financial Report pages 31 – 162

Agenda item 4A - Voting result

	Number	%
In favour	211,540,959	99.99%
Against	20,078	0.01%
Abstain	153,008	

NN

Agenda item 4B

2016 annual accounts

4B. Explanation of the profit retention and distribution policy

- NN Group intends to pay an ordinary dividend in line with its medium financial performance and envisages an ordinary dividend pay-out ratio of 40–50%
- Dividends to be paid either in cash or ordinary shares
- Neutralise the dilutive effect of the stock dividend
- Capital generated in excess of our capital ambition expected to be returned to shareholders, unless it can be used for other appropriate corporate purposes
- Excess capital will be distributed in the most appropriate and efficient form for shareholders
- No requirement or assurance that any dividends will be paid

Agenda item 4C – Voting item

2016 annual accounts

4C. Proposal to pay out dividend

- Proposed 2016 final dividend of EUR 0.95 per ordinary share
- 2016 interim dividend of EUR 0.60 per ordinary share
- Total dividend for 2016 of EUR 1.55 per ordinary share
- Dividend pay-out ratio of around 51% of NN Group's full-year 2016 net operating result of the ongoing business

Agenda item 4C - Voting result

	Number	%
In favour	211,559,818	100%
Against	1,224	0%
Abstain	153,003	

NN

Agenda item 5A – Voting item

Release from liability

5A. Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2016

- Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2016, insofar the exercise of those duties is reflected in the 2016 annual accounts or otherwise disclosed prior to taking this resolution

Agenda item 5A - Voting result

	Number	%
In favour	209,778,385	99.16%
Against	1,780,543	0.84%
Abstain	155,117	

NN

Agenda item 5B – Voting item

Release from liability

5B. Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2016

- Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2016 insofar the exercise of those duties is reflected in the 2016 annual accounts or otherwise disclosed prior to taking this resolution

Agenda item 5B - Voting result

	Number	%
In favour	209,778,385	99.16%
Against	1,780,784	0.84%
Abstain	154,876	

NN

Agenda item 6

Notice of the intended reappointment of Lard Friese as member of the Executive Board

- The term of appointment of Lard Friese as member of the Executive Board ends at the close of this meeting
- The Supervisory Board has the intention to reappoint Lard Friese as member of the Executive Board as from the close of this meeting for a term of four years, which term will end at the close of the annual general meeting to be held in 2021
- The Supervisory Board also has the intention to designate Lard Friese again as chair of the Executive Board and Chief Executive Officer of the Company for the same term as from the close of this meeting
- With the reappointment, his membership and chairmanship of the Management Board will be continued

Agenda item 6

Profile Lard Friese (1962; Dutch)

- CEO NN Group; chair of the Management Board and Executive Board NN Group
- Former vice chair of ING Insurance
- Former member of the Management Board ING Insurance
- Former CEO of ING Insurance Benelux
- Former CEO of Nationale-Nederlanden

Most important other positions

- Member of the board of representatives of Foundation VUmc CCA
- Member of the Geneva Association

The works council has informed the Supervisory Board that it supports the intended reappointment of Lard Friese

Agenda item 7

Profile of the Supervisory Board

- The Supervisory Board intends to amend the profile of the Supervisory Board, in order for it to be in line with the Dutch Corporate Governance Code 2016
- This proposal has already been discussed with the Works Council

Agenda item 8A – Voting item

Composition of the Supervisory Board

8A. Proposal to appoint Robert Ruijter as member of the Supervisory Board

Agenda item 8A

Profile Robert Ruijter (1951; Dutch)

- Former chair and member of the supervisory board of Delta Lloyd N.V.
- Former chief executive officer of VION Food Group
- Former managing director and chief financial officer of KLM Royal Dutch Airlines
- Former chief financial officer and member of the executive board of VNU N.V. (The Nielsen Company)

Most important other positions

- Member of the supervisory board of Wavin N.V.
- Non-executive board member of Inmarsat plc and Interxion N.V.
- Wavin N.V., Interxion N.V. and Inmarsat plc - audit chair at all mandates

Agenda item 8A - Voting result

	Number	%
In favour	209,675,570	99.11%
Against	1,883,954	0.89%
Abstain	154,521	

NN

Agenda item 8B – Voting item

Composition of the Supervisory Board

8B. Proposal to appoint Clara Streit as member of the Supervisory Board

Agenda item 8B

Profile Clara Streit (1968; German and American)

- Former member of the supervisory board of Delta Lloyd N.V.
- Former senior partner of McKinsey & Company Inc. in Munich and Frankfurt

Most important other positions

- Member of the board of directors of Vontobel Holding AG and Vontobel Bank AG (Zurich)
- Member of the supervisory board of Vonovia SE (Düsseldorf)
- Member of the board of directors of Jerónimo Martins SGPS S.A. (Lisbon)
- Member of the board of directors of Unicredit S.p.A (Milan)

Agenda item 8B - Voting result

	Number	%
In favour	196,623,814	92.94%
Against	14,935,710	7.06%
Abstain	154,521	

NN

Agenda item 9A – Voting item

Remuneration

9A. Proposal to amend the remuneration for the members of the Supervisory Board

- The proposed remuneration policy leads to a more balanced reward, and greater transparency and simplicity
- In the current policy, the pro rata compensation for additional meetings can lead to imbalance
- It is proposed to pay only a fee for an extra meeting from the 11th meeting of the Supervisory Board, and from the 9th meeting of each Supervisory Board committee
- It is proposed to set the allowance for additional meetings at a fixed amount:
  - EUR 3,000 for an additional Supervisory Board meeting
  - EUR 750 for an additional meeting of a Supervisory Board committee
- The fixed annual remuneration for the Supervisory Board has been slightly increased
- It is proposed to replace the current expense allowance per meeting (or extra meeting) by paying a fixed annual expenses allowance, and paying one fixed international attendance fee

Agenda item 9A - Voting result

	Number	%
In favour	211,212,284	99.87%
Against	271,982	0.13%
Abstain	229,779	

NN

Agenda item 9B – Voting item

Remuneration

9B. Proposal to approve an increase of the variable remuneration caps in special circumstances

- Proposal to approve any and all resolutions regarding the increase of the maximum ratio between the fixed and variable components of remuneration from 100% to 200% by the subsidiaries of the Company
- For an approximate number of 25 employees working in the NN Investment Partners business outside the EEA, primarily in the US and Asia, for each of the performance years 2018, 2019 and 2020

Agenda item 9B - Voting result

	Number	%
In favour	209,984,184	99.32%
Against	1,434,375	0.68%
Abstain	295,486	

NN

Agenda item 10 – Voting item

Proposal to amend the articles of association of the Company

The Executive Board proposes, which proposal is approved by the Supervisory Board, to amend the articles of association of the Company.

The proposed amendments are related to:

- Amendments to legislation and regulations
- And other general textual amendments and clarifications

Agenda item 10 - Voting result

	Number	%
In favour	202,932,360	96.47%
Against	7,417,666	3.53%
Abstain	1,364,019	

NN

Agenda item 11A – Voting item

Authority to issue shares, to grant rights to subscribe for shares and to limit or exclude pre-emptive rights

11A. Proposal to designate the Executive Board as the competent body to resolve on the issuance of ordinary shares and to resolve on the granting of rights to subscribe for ordinary shares

- For a term of 18 months
- Maximum of 10% of issued share capital on 1 June 2017, plus a further 10% in case of a merger or acquisition or to safeguard or conserve the capital position of the Company

Agenda item 11A - Voting result

	Number	%
In favour	189,866,277	89.75%
Against	21,693,942	10.25%
Abstain	153,826	

NN

Agenda item 11B – Voting item

Authority to issue shares, to grant rights to subscribe for shares and to limit or exclude pre-emptive rights

11B. Proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares

- For a term of 18 months

Agenda item 11B - Voting result

	Number	%
In favour	178,478,100	84.36%
Against	33,081,084	15.64%
Abstain	154,861	

NN

Agenda item 12 – Voting item

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

- For a term of 18 months
- Shareholding shall not exceed 10% of the issued share capital on 1 June 2017
- As required by law, the authorisation includes price setting limits

Agenda item 12 - Voting result

	Number	%
In favour	208,745,177	98.70%
Against	2,756,442	1.30%
Abstain	212,426	

NN

Agenda item 13 – Voting item

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

The Executive Board proposes, which proposal is approved by the Supervisory Board, to reduce the issued share capital of the Company by cancellation of ordinary shares held by the Company in its own share capital up to a maximum of 20% of the issued share capital of the Company as at 1 June 2017.

- The number of ordinary shares to be cancelled under this resolution shall be determined by the Executive Board, up to a maximum of 20% of the issued share capital of the Company as at 1 June 2017
- The cancellation may be executed in one or more tranches

Agenda item 13 - Voting result

	Number	%
In favour	211,458,379	99.95%
Against	101,795	0.05%
Abstain	153,871	

NN

Agenda item 14

Any other business and closing

NN