



**NN Group
1H22 results**

11 August 2022

1H22 highlights

David Knibbe, CEO

Creating value for all stakeholders

Helping **customers** when it matters most

- Assisting customers during the February storm by upscaling service centres and enabling rapid onsite assessments to facilitate the fast settlement of claims and commencement of repair work
- Customer satisfaction: 4 units scoring above and 3 units scoring at market average NPS¹

Creating an environment where **employees** can thrive

- Employee engagement remains high at 7.7
- Promoting diversity throughout the organisation
 - Women hold 39% of senior management positions

Contribution to the transition to a **sustainable economy**

- Further actions taken towards aim of achieving net-zero emissions across the business
 - Launch of Positive Impact Programmatic Venture in collaboration with CBRE, with initial equity commitment of EUR 500m to invest in sustainable and affordable housing in the Netherlands
 - Launch of Dutch Climate Action Fund in partnership with DIF Capital Partners, with initial commitment of EUR 125m

1. Net Promoter Score (NPS-r) measured for 11 of NN's business units

Strong capital generation and solid business results in 1H22

Strong capital generation reflecting solid business performance;
Well on track to achieve 2023 OCG target of EUR 1.5bn

Operating capital generation

EUR 899m
1H21: EUR 780m

Value of new business

EUR 254m
1H21: EUR 242m

Resilient balance sheet

Solvency ratio

196%
31 Dec 2021: 213%

Holding company cash capital

EUR 2.5bn
31 Dec 2021: EUR 2.0bn

Attractive capital returns to shareholders

Interim dividend

EUR 1.00 per share¹

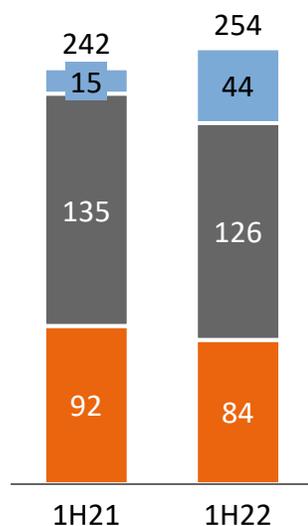
Share buybacks (ongoing)

Regular **EUR 250m**
Additional **EUR 750m**
~55% completed

1. Calculated as 40% of the 2021 full-year dividend per ordinary share in accordance with the NN Group dividend policy

Good commercial performance

Value of new business¹ (EURm)

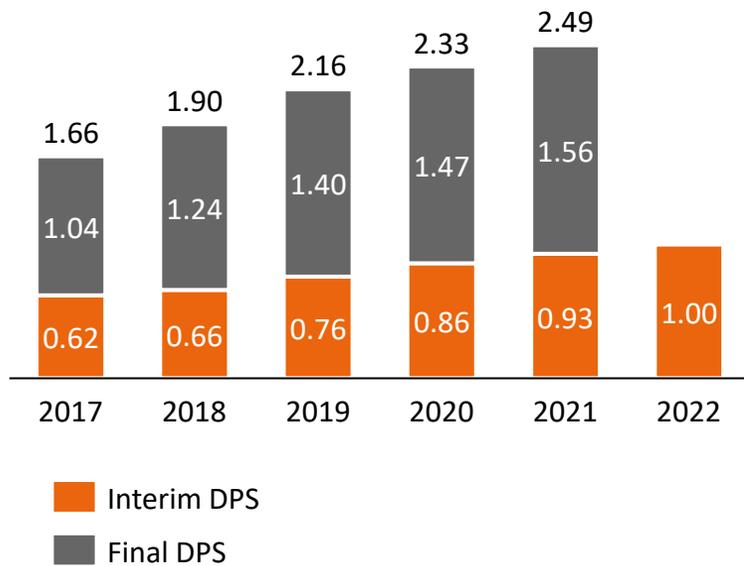


- Value of new business (VNB) of EUR 254m, up 5% on 1H21
 - VNB up at Netherlands Life driven by a higher volume of group pension contracts
 - VNB at Insurance Europe down due to higher interest rates and sale of Bulgarian business, partly offset by an improved business mix
 - VNB at Japan Life down mainly reflecting negative currency impacts, while lower sales of COLI Financial Solutions products were partly offset by an improved margin
- Net inflows of EUR 0.9bn in assets under management DC
 - Total AuM of EUR 27.0bn versus EUR 29.9bn at year-end 2021 as net inflows offset by negative market performance of EUR 3.9bn
- Retaining leading Non-life market position despite repricing for inflation; 1H22 combined ratio of 96.1%
- NN Bank and Woonnu originated EUR 4.9bn of new mortgages, of which 65% transferred to NN Group companies and Dutch Residential Mortgage Fund

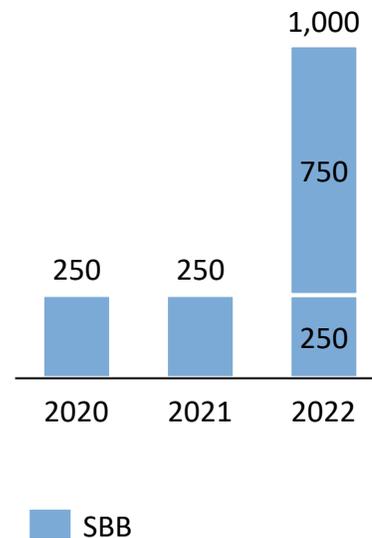
1. Value of new business (VNB) figures based on historical FX rates

Attractive capital returns to shareholders

Dividends¹ (EUR)



Share buybacks² (EURm)



2022 interim dividend

- Proposed 2022 interim dividend of EUR 1.00 per share, or EUR 294m based on current number of outstanding shares
- Calculated as 40% of the prior year full-year dividend in line with dividend policy

Share buyback programmes

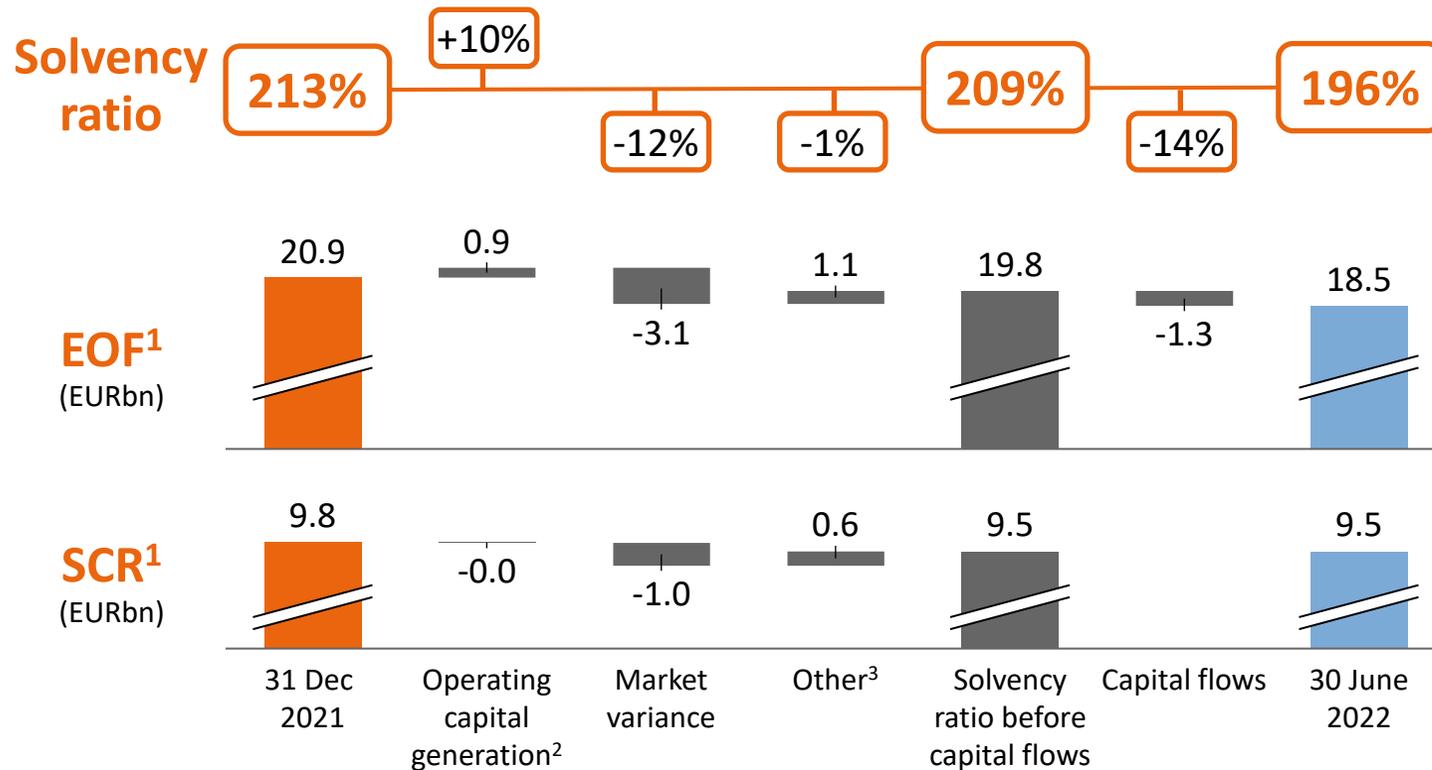
- Total share buybacks of EUR 1.0bn, consisting of regular EUR 250m and additional EUR 750m programmes, currently being executed
 - As of 5 August 2022, ~55% completed
- Expected to be completed before 1 March 2023

1. Pro-forma 2019 full-year dividend per share of EUR 2.16, comprising the interim dividend of EUR 0.76 plus the suspended final dividend of EUR 1.40; Pro-forma 2020 full-year dividend per share of EUR 2.33, comprising the regular 2020 interim dividend of EUR 0.86 plus the 2020 final dividend of EUR 1.47
 2. Total share buyback amount shown in the year that the programme commences

1H22 results

Annemiek van Melick, CFO

Solvency ratio at 196%



- OCG up 15% to EUR 0.9bn adding 10%-points to the Solvency ratio
- Market impacts mainly reflects lower equity markets, changes in credit spreads and higher interest rates, partly compensated by flattening of the curve
 - Higher interest rates and widening mortgage spreads will lead to higher OCG over time
- Other includes the positive impact from the sale of NNIP, offset by the acquisition of MetLife Poland and Greece as well as the UFR reduction
- Capital flows reflect the regular EUR 250m and additional EUR 750m buyback programmes announced in February 2022 and the EUR 294m interim 2022 dividend

High-quality investment portfolio

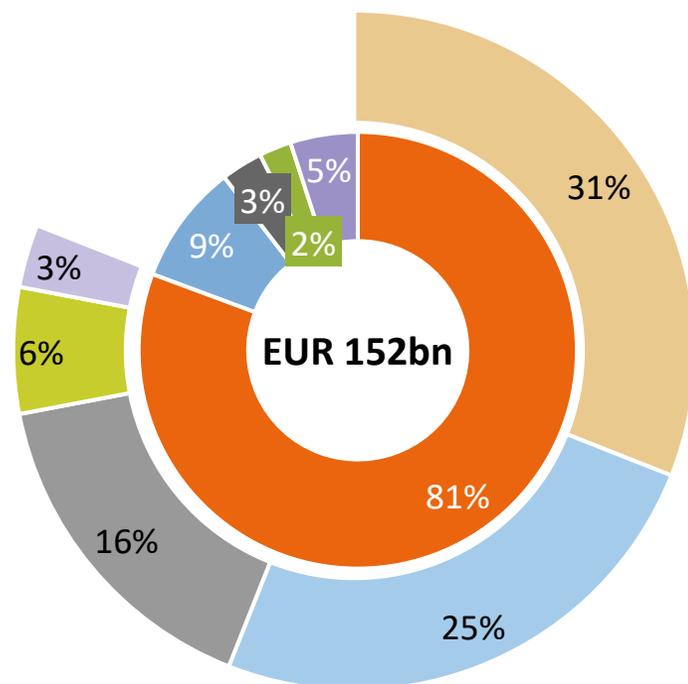
Investment portfolio (NN Group excl. banking)¹

(at 30 June 2022)

- Fixed income
- Real estate
- Equity
- Other
- Cash²

Breakdown of FI

- Government
- Mortgages
- Corporates
- Financials
- Other FI



- Conservative investment portfolio
 - High-quality government bond and mortgage portfolio
 - Underweight to corporate bonds
- Dutch mortgages continue to be an attractive asset class
 - Current mortgage allocation is close to our target

Risk measures³ mortgage portfolio

	30 Jun 22	31 Dec 21
Net loan to indexed market value	55%	59%
% Non-performing loans ⁴	0.3%	0.4%
% NHG mortgages in portfolio	27%	28%

1. Market value, excluding separate account assets; NN Group excluding NN Bank

2. Cash includes money market mutual funds

3. Does not include third party originated mortgage and collateralised mortgages

4. A loan is categorized as a non-performing loan if the loan is 90 days past due, or the client was in default the previous month, and the minimum holding period is active or the loan is classified as Unlikely To Pay (UTP) by the problem loans department. A loan is re-categorised as a performing loan again when the amount past due has been paid in full (and the UTP-status is withdrawn).

Strong operating capital generation in 1H22

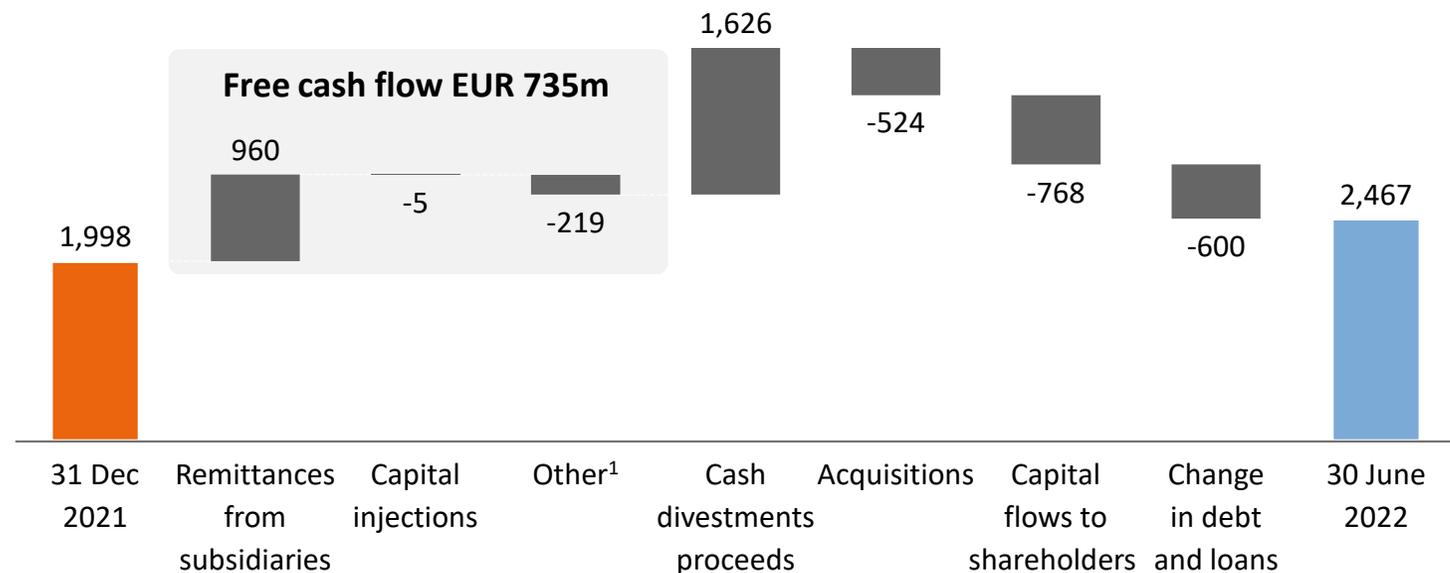
OCG ¹ by segment (EURm)	1H22	1H21	Developments 1H22 versus 1H21
Netherlands Life	580	395	• Mainly driven by the lower net negative impact of UFR drag and risk margin release as a result of higher interest rates, as well as positive experience variance
Netherlands Non-life	144	162	• Reflecting lower P&C underwriting results mainly due to the February storm, partly offset by favourable results on prior accident years and higher D&A underwriting results
Insurance Europe	198	182	• Mainly reflecting a higher investment return, more positive experience variances as well as a positive contribution from the acquired MetLife business in Greece, partly offset by lower pension fees in Slovakia and Romania
Japan Life	74	57	• Reflecting a higher investment return as well as a lower new business strain
Asset Management	31	67	• Represents OCG for 1Q22 following completion of sale of NN IP in April 2022
Banking	11	55	• Mainly reflecting higher RWA following mortgage portfolio growth and a lower portion of state-guaranteed (NHG) mortgages as well as a lower statutory net result
Other	-140	-136	• Mainly due to higher project expenses
Operating capital generation	899	780	

1. Operating Capital Generation is the movement in the solvency surplus (Own Funds before eligibility constraints over SCR at 100%) in the period due to operating items, including the impact of new business, expected investment returns in excess of the unwind of liabilities, release of the risk margin, operating variances, non-life underwriting result, contribution of non-Solvency II entities and holding expenses and debt costs and the change in the SCR. It excludes economic variances, economic assumption changes and non-operating expenses.

Holding company cash capital of EUR 2.5bn

Movement in holding company cash capital

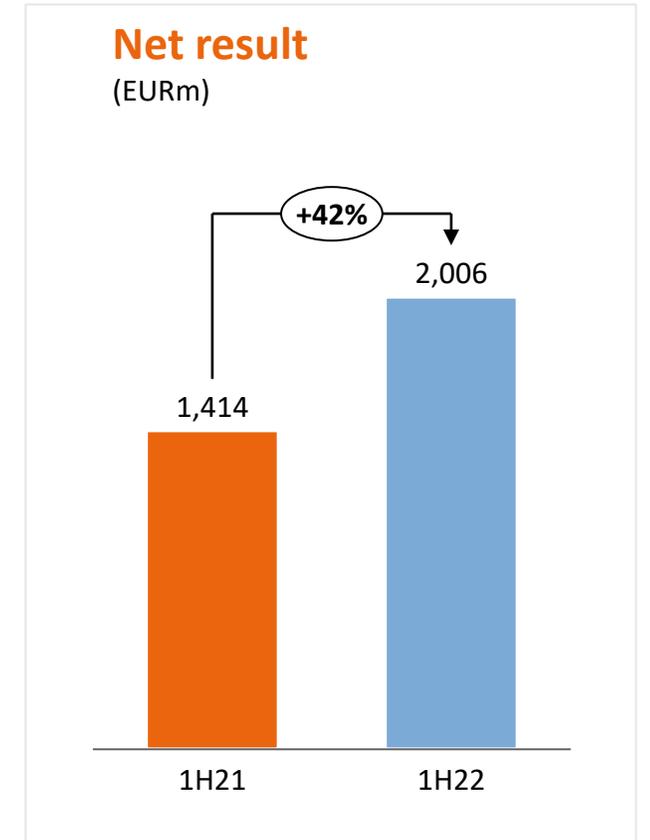
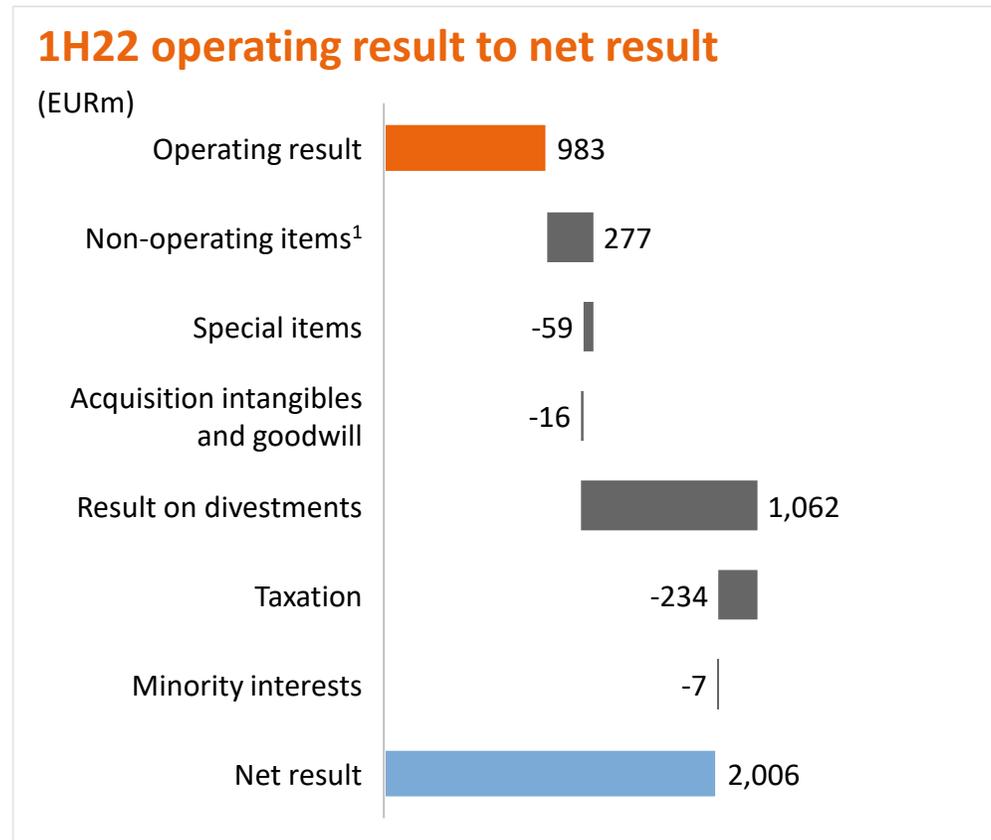
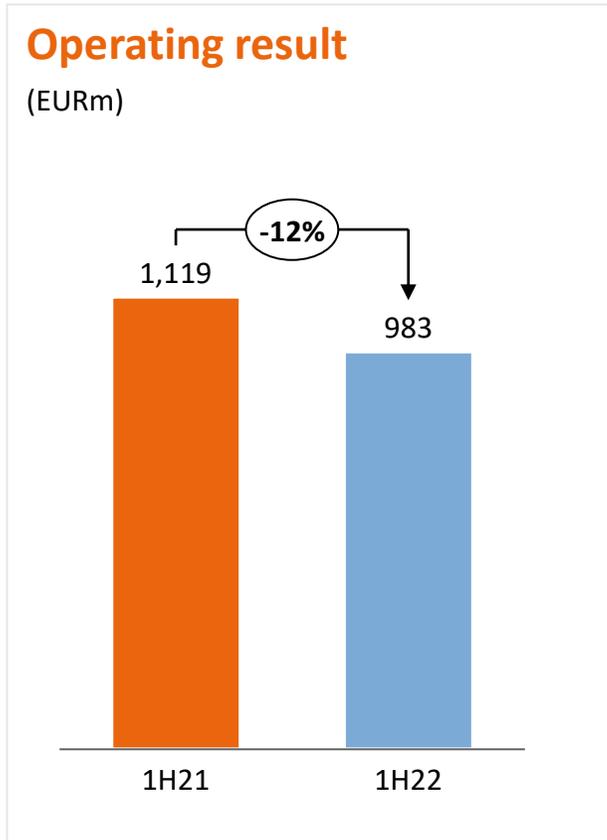
(EURm)



- Free cash flow to the holding of EUR 735m driven by remittances received from subsidiaries
- Cash divestments proceeds of EUR 1,626m following completion of the sale of NN IP
- Acquisitions of EUR 524m mainly related to MetLife Poland and Greece
- EUR 768m of capital flows to shareholders representing cash dividends paid and own shares repurchased
- Change in debt and loans reflects EUR 600m senior note repaid in March 2022

1. Other includes interest on subordinated loans and debt, holding company expenses and other cash flows

Solid financial performance



1. Includes realised capital gains/losses and impairments, revaluations and market & other impacts

Operating result by segment

Operating result (EURm)	1H22	1H21	Developments 1H22 versus 1H21
Netherlands Life	552	520	• Reflecting higher fees and premium-based revenues, lower administrative expenses and a higher investment margin
Netherlands Non-life	127	189	• Reflecting lower underwriting results in P&C including claims from the February storm, partly offset by higher underwriting results in D&A; combined ratio 96.1%
Insurance Europe	176	161	• Higher life fees across the region and higher technical margin as well as a positive contribution from acquired MetLife business in Greece, partly offset by higher DAC amortisation and trail commissions and higher administrative expenses
Japan Life	130	156	• Mainly reflecting lower fees and premium-based revenues and technical margin, partly offset by higher investment margin and lower expenses
Asset Management	38	91	• Represents 1Q22 result following completion of sale of NN IP in April 2022
Banking	48	79	• Reflecting lower operating income and higher total expenses
Other	-88	-76	• Mainly reflecting a lower operating result of the reinsurance business
Operating result	983	1,119	

Key takeaways

David Knibbe, CEO

Key takeaways

- ▶ Strong capital generation: up 15% to EUR 899m driven by solid business performance
- ▶ Good commercial performance: VNB up 5% to EUR 254m
- ▶ Resilient balance sheet: Solvency ratio at 196%, holding company cash capital at EUR 2.5bn and leverage ratio of 21.7%
- ▶ Attractive capital returns to shareholders: 2022 interim dividend of EUR 1.00 per share; total EUR 1bn share buyback programmes ongoing, ~55% completed
- ▶ Continued focus on creating value for customers, employees and society

Q&A

David Knibbe, Annemiek van Melick, Bernhard Kaufmann

Appendices

Creating value for all stakeholders

KPIs and targets		30 June 22	31 Dec 21	30 June 21
Excellent customer experience	Customer engagement All insurance business units scoring above market average NPS ¹ by 2023	4 units	5 units	3 units
	Brand consideration² 28% by 2023	21%	23%	21%
Engaged employees	Employee engagement³ ≥ 7.8 by 2023	7.7	7.7	7.8
	Women in senior management positions⁴ ≥ 40% by 2023	39%	34%	34%
Positive contribution to society	Acceleration of the transition to a low-carbon economy Net-zero carbon proprietary investment portfolio by 2050			
	Contribution to our communities⁵ 1% of operating result ⁶ by 2023	EUR 3.8m	EUR 8.0m	EUR 2.4m



1. Net Promoter Score (NPS-r) measured for 11 of NN's business units

2. Measured by GBHM (Global Brand Health Monitor)

3. The metric indicates on a scale from 0 to 10 how likely it is that someone will recommend NN as an employer

4. As of 2022, the scope of the target was extended to include all managerial positions reporting directly to the CEOs of our business units in addition to the Management Board and managerial positions reporting directly to a Management Board member

5. Contributions to our communities in 1H22, FY21 and 1H21 respectively, including cash donations and hours of volunteering and in-kind giving (both monetised), in line with B4SI standards

6. 3-year average

Operating capital generation by source

OCG¹ by source (EURm)	1H22	1H21
Investment return	702	647
Life – UFR drag	-318	-431
Life – Risk margin release	165	204
Life – Experience variance	71	3
Life – New business	102	79
Non-life underwriting	95	129
OF Generation – SII entities	817	631
Asset Management, Japan, Bank, Other ²	192	234
Holding expenses and debt costs	-144	-140
OF Generation – Total	865	725
Change in SCR	35	55
Operating capital generation	899	780

OCG³ sensitivities (EURm, 30 June 2022)

Parallel shock mortgage spreads +50bps	+88
Parallel shock interest rates +50bps	+40



1. Operating Capital Generation is the movement in the solvency surplus (Own Funds before eligibility constraints over SCR at 100%) in the period due to operating items, including the impact of new business, expected investment returns in excess of the unwind of liabilities, release of the risk margin, operating variances, non-life underwriting result, contribution of non-Solvency II entities and holding expenses and debt costs and the change in the SCR. It excludes economic variances, economic assumption changes and non-operating expenses.
2. Other comprises CEE pension funds as well as broker and service companies
3. Excluding the impact from market shocks on the change in SCR

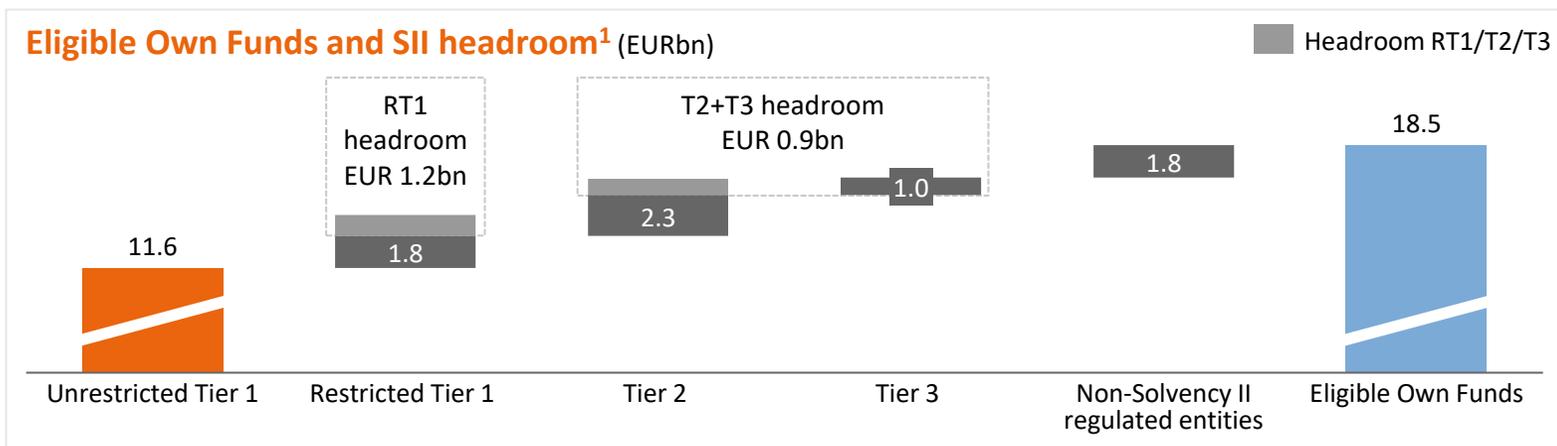
Solvency sensitivities

Sensitivities to market shocks at 30 June 2022¹

	Δ OF (EURbn)	Δ SCR (EURbn)	Δ SII ratio (%-points)
Interest rate: Parallel shock +50bps	-0.2	-0.1	-1%
Interest rate: Parallel shock -50bps	+0.2	+0.1	+0%
Interest rate: 10bps steepening between 20y–30y	-0.3	+0.1	-5%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-0.4	+0.1	-6%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-0.5	+0.1	-8%
Credit spread: Parallel shock corporate bonds +50bps	+0.3	-0.2	+7%
Credit spread: Parallel shock mortgages +50bps	-1.0	+0.1	-12%
Equity: Downward shock -25%	-1.5	-0.4	-8%
Real estate: Downward shock -10%	-1.2	-0.1	-11%
UFR: Downward adjustment by 15bps ²	n/a	n/a	n/a

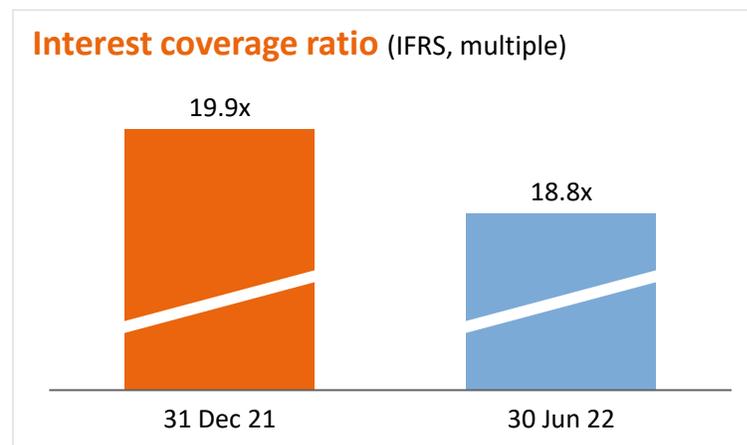
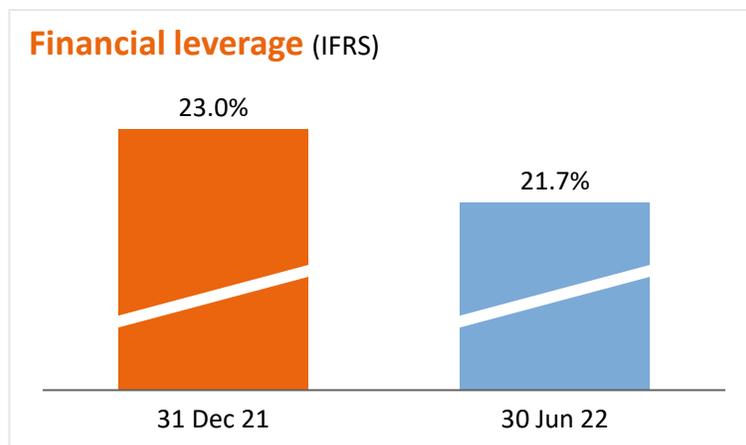
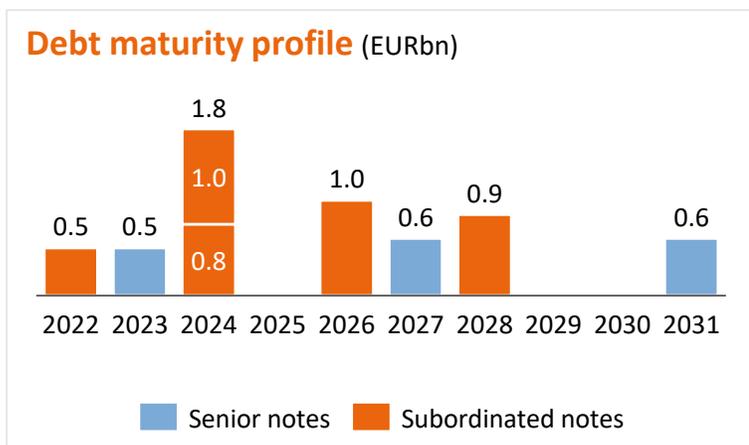
1. Sensitivities are performed for Solvency II entities, NN Life Japan and NN Bank
2. Note that the UFR level in 2023 remains unchanged at 3.45% as published by EIOPA

Strong balance sheet with ample flexibility



Credit ratings

Financial Strength Rating	30 Jun 22	31 Dec 21
Standard & Poor's	A Positive	A Stable
Fitch	AA-Stable	AA-Stable



1. Figures at 30 June 2022

Remittances from subsidiaries

Remittances from subsidiaries (EURm)	1H22	1H21	FY21	FY20
Netherlands Life ¹	520	520	1,048	930
Netherlands Non-life ¹	74	85	123	62
Insurance Europe ^{1,2}	133	125	192	77
Japan Life	75	146	146	119
Asset Management	-	60	110	81
Banking ¹	112	13	138	1
Reinsurance business	45	30	60	30
Other	-	-	18	9
Total	960	978	1,835	1,310

- Remittances from Banking in 1H22 and 2H21 reflect a catch-up following the suspension of dividends in 2020 due to the Covid-19 pandemic

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 NN Group N.V. Condensed consolidated interim financial information for the period ended 30 June 2022.

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