NN Group
1H23 results

29 August 2023

1H23 highlights

David Knibbe, CEO

NN

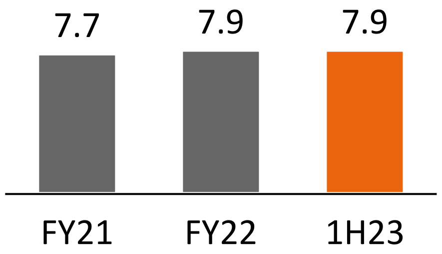
Good progress on strategic targets for Customers, Employees and Society

Above market average Net Promoter Score (NPS-r) of Netherlands and International[1] by 2025

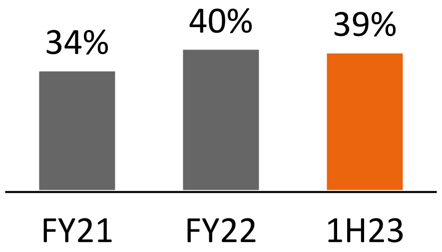
Netherlands: on par

International: on par

Employee engagement[2] of ≥ 8.0 by 2025



Diversity: Women in senior management positions[3] of ≥ 40% by 2025



New targets: reduction of carbon emissions for insurance underwriting[4]

26% by 2030

Dutch residential mortgages[5]

34% by 2030

More than double investments in climate solutions[6] by +EUR 6bn to EUR 11bn by 2030

EUR ~9bn invested

Reaching 1m people in supporting financial, physical and/or mental well-being[7] by 2025

>293,000 people reached

1. Net Promoter Score (NPS-r) is measured for the retail business line in the Netherlands and for the 10 International business units based on a quarterly score; 2. The target score is related to the benchmark. The target of at least 8.0 reflects a score above the current benchmark of 7.9; The metric indicates on a scale from 0 to 10 how likely it is that someone will recommend NN as an employer; 3. Includes 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; 4. Reduction of insurance-associated emissions (IAE) of the NL Non-life commercial lines portfolio compared with 2022; 5. Reduction in carbon emission intensity (kgCO2/m2) associated with residential mortgages originated and/or serviced by NN Bank compared with year-end 2021; 6. The amount invested in climate solutions for the proprietary portfolio reflects the nominal value for green bonds, and the market value for certified green buildings, renewable infrastructure and other investments; 7. Cumulative starting 2022

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Automated call logging using ChatGPT to be rolled out to all call centres in the Netherlands

Call with customer → Agent updates ticket → Agent executes necessary actions → GPT-3 summarises call → Summary reviewed by agent

Saves up to 3.5 minutes per call | **2 million calls per year** | **7 million minutes per year**

- Generative AI contributes to more efficient use of agents' time, allowing agents to dedicate more time to really helping customers, increasing customer satisfaction scores

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Strong financial performance in 1H23

Operating capital generation up ~15% reflecting strong business performance and diversification across businesses …	**Operating capital generation** **EUR 997m** 1H22: EUR 869m[1]	**Value of new business** **EUR 195m** 1H22: EUR 257m
… while maintaining a robust balance sheet and capital position …	**Solvency ratio** **201%** 31 December 2022: 197%	**Cash capital at Holding** **EUR 1.9bn** 31 December 2022: EUR 2.1bn
… with updated guidance for the NL Non-life combined ratio to 91-93% in 2025 for IFRS17, and encouraging protection margins Insurance Europe	**NL Non-life combined ratio** **90.1%** 1H22: 93.5%	**Insurance Europe** **Protection margin ~+4%-pts versus average**
… and continuing to deliver attractive capital returns to shareholders	**Interim dividend** **EUR 1.12 per share** +12% on 1H22	**Share buyback (ongoing)** **EUR 250m** **~78%** completed

1. Excludes the contribution of the Asset Management business of EUR 31m following its sale in April 2022

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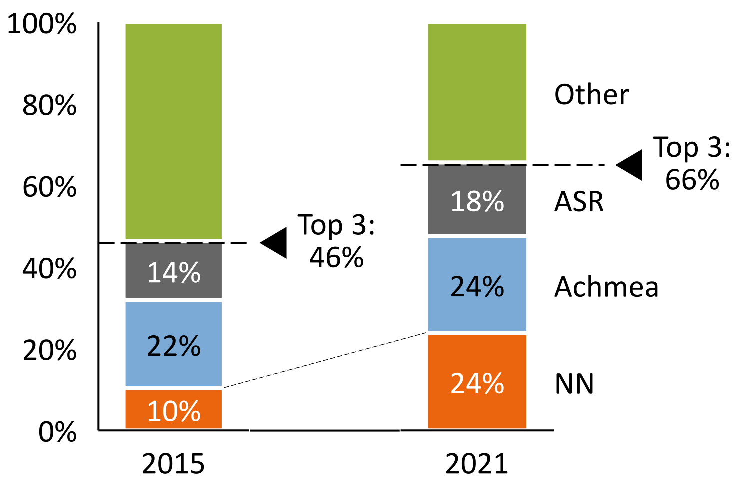
Leading position in consolidating Dutch non-life market

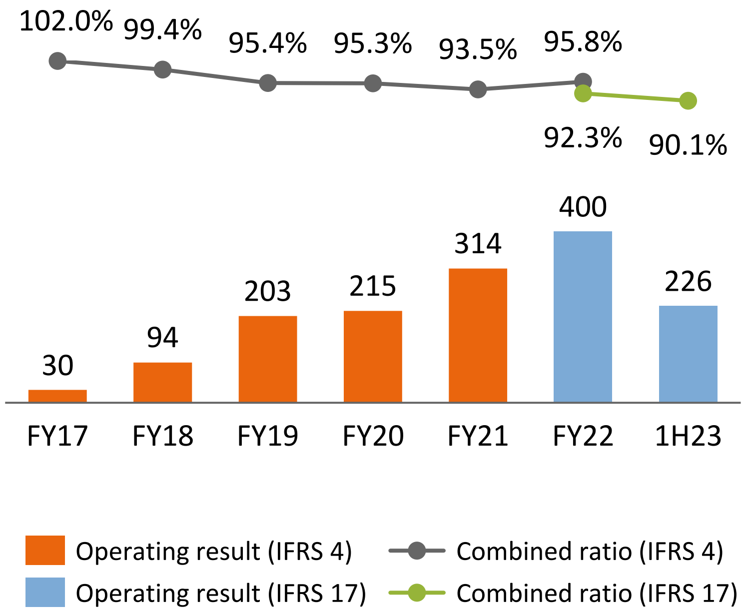
Dutch non-life market has consolidated after NN acquired Delta Lloyd and Vivat Non-life

Market shares Non-life[1]

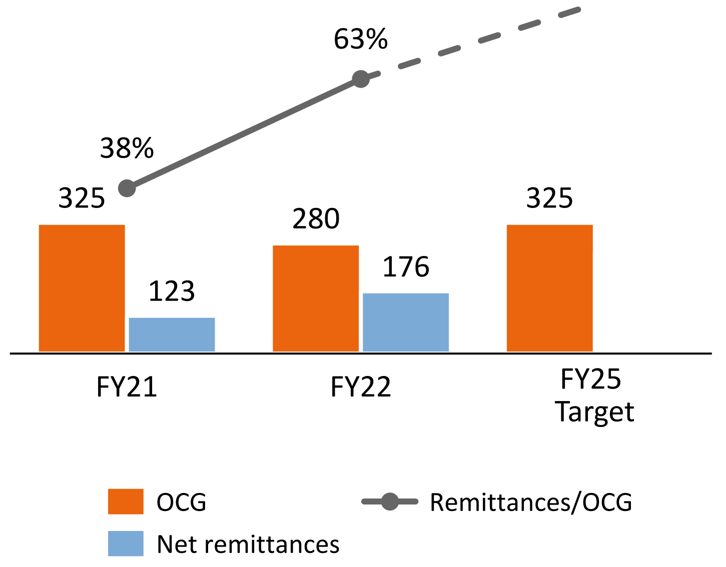


Resilient improvement of profitability

Combined ratio and operating result development (EURm)



Future remittances expected to be more in line with OCG (EURm)



Target	OCG of EUR 325m in 2025
Guidance	Combined ratio updated to 91-93%[2] to reflect discounting benefit under IFRS 17 and continued strong business performance
	Administrative expense ratio <10% in 2025

1. Source: DNB and Association of Insurers. Only Dutch insurers that are subject to DNB-supervision, excluding foreign insurers.
2. Based on IFRS 17

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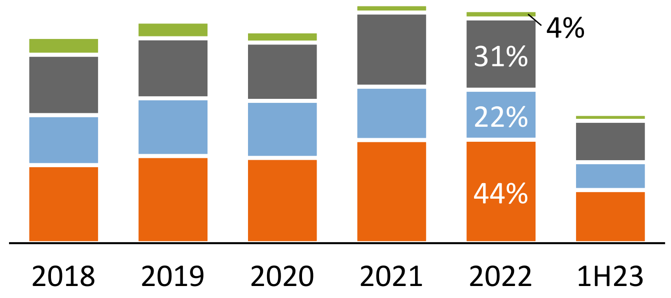
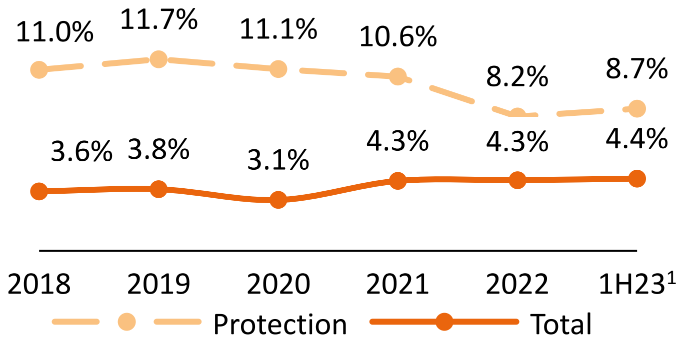
Margin accretive growth in Insurance Europe

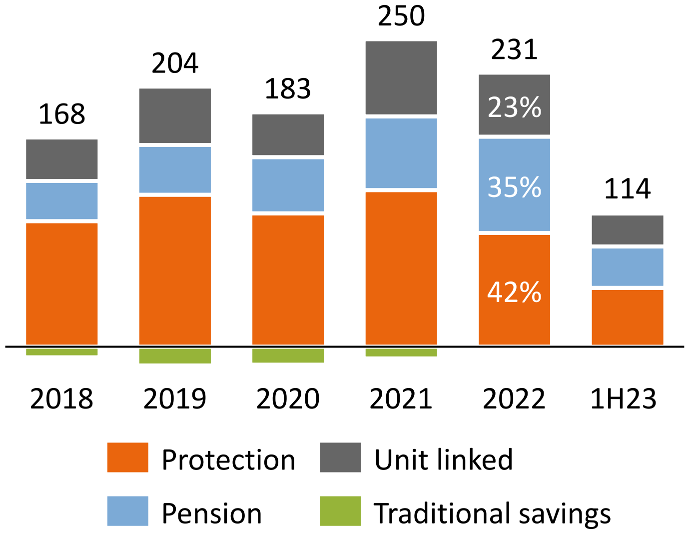
Moderate sales growth; GDP growth and low product penetration future drivers..



.. higher new business margins reflecting shift to attractive protection products..

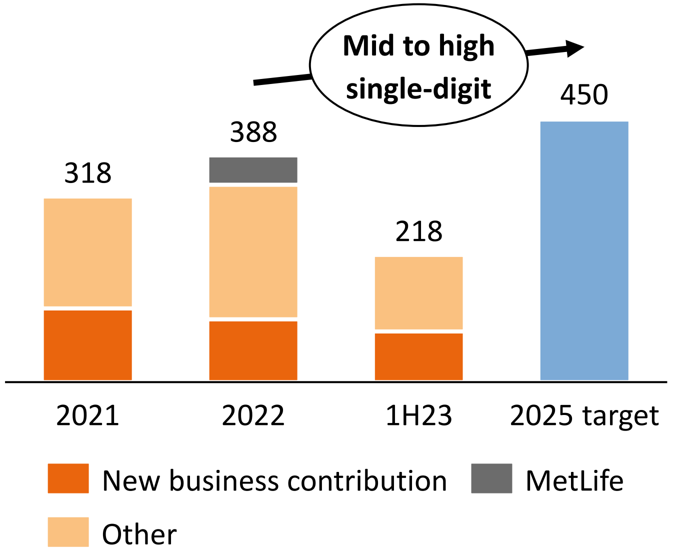


.. resulting in stronger VNB growth ..



- Margin of protection products inversely correlated with interest rates and vice versa for pension products
- Mortgage cycle key for mortgage-linked protection sales

.. translating into OCG over time



- Only part of VNB is recognised as OCG at time of sale due to e.g., contract boundaries[2]
- The rest flows into OCG over the next years through renewals

All figures in EUR million

1. Excludes the permanent impact from the Slovakia pension reform for total new business margin at 1H23 for Insurance Europe which is 3.9% including the aforementioned impact
2. Duration and contract boundary dependent on type of product and distribution channel, average duration approximately ~7 years; ~70% of total VNB Insurance Europe is from Solvency II entities which flows through OCG; Small technical differences between VNB for Solvency II entities and NB contribution, including yield curves and risk margin calculation

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Pole position to capture opportunities in changing Dutch pension market

New pension law approved in June 2023

- All pension plans become DC schemes with life cycle investing
- Corporate pension funds are expected to converge more with insurers' market, creating a level playing field with insurers, whilst sector-wide pension funds will focus on stand-alone future

Opportunities in changing pension landscape

- Potential doubling of market for future defined contribution accruals
- Various alternatives for pension funds that decide to liquidate
  - In-market merger
  - APF (general pension fund)
  - Buyout

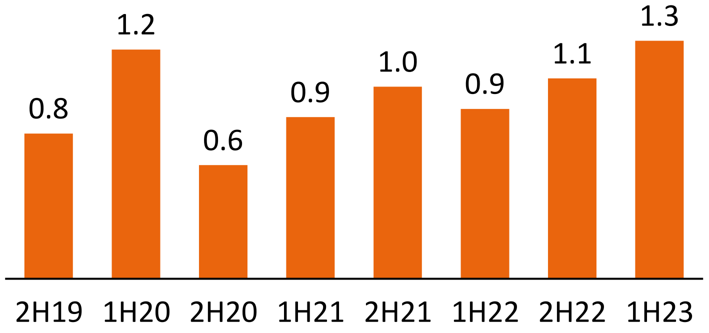
Milestones

2020	Government, employers and employees reach pension agreement
	Further development of pension agreement
2022	Draft law offered to parliament
2Q23	Approval of law
3Q23	New pension legislation effective
2024	Start of market transition
1Q28	End of transition period

Unique and broad range of pension solutions

- Insured DB
- Insured DC
- BE FRANK PPI
- de nationale APF
- azl Pension fund administration services

Continued strong net inflows of assets in DC[1]



1. Amounts in EUR billion

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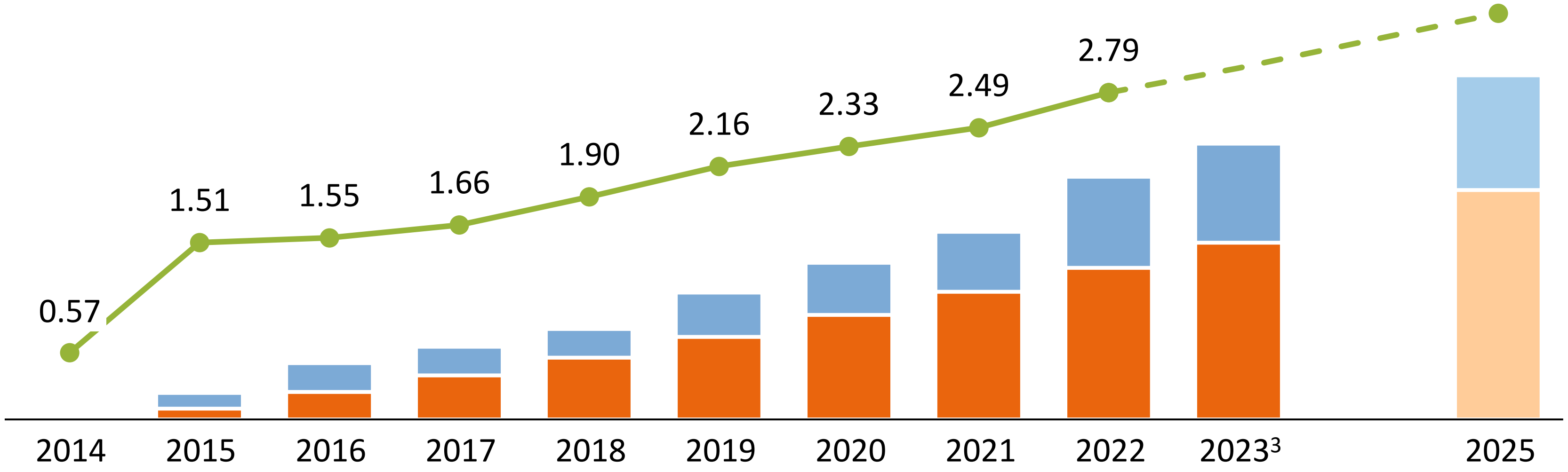
Continued delivery on capital return to shareholders

Dividend per share[1]
(EUR)

Accumulated payout to shareholders[1,2]



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[3]	2025
Dividend (EURm)		349	536	526	570	664	705	741	763	804	
Share buyback (EURm)		500	417	0	0	500	250	250	1,000[4]	250	

As of 2020, the capital return policy reflects an annual recurring share buyback of at least EUR 250m

Dividend per share[1] (lhs) Dividend[3] (rhs) Share buyback[4] (rhs)

Payout to shareholders since IPO to 31 Dec 22

EUR 7.8bn

Interim dividend 2023

EUR 1.12 per share

Share buyback (ongoing)

EUR 250m

~78% completed

1. Dividend per share based on declared amounts in book year; 2023-2025 dividends on this graph are purely indicative and not based on realisations; 2. Total share buyback amount shown in the year that the programme commences; 2024-2025 buyback is based on the minimum of the at least EUR 250m annual share buyback policy; 3. Includes interim dividend 2023; 4. Acquisition of MetLife Greece & Poland and Heinenoord in 2021 funded by sale NNIP; net proceeds deployed for additional share buyback of EUR 750m in 2022. This additional share buyback programme commenced on 13 April 2022 and was finalized on 20 December 2022

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1H23 results

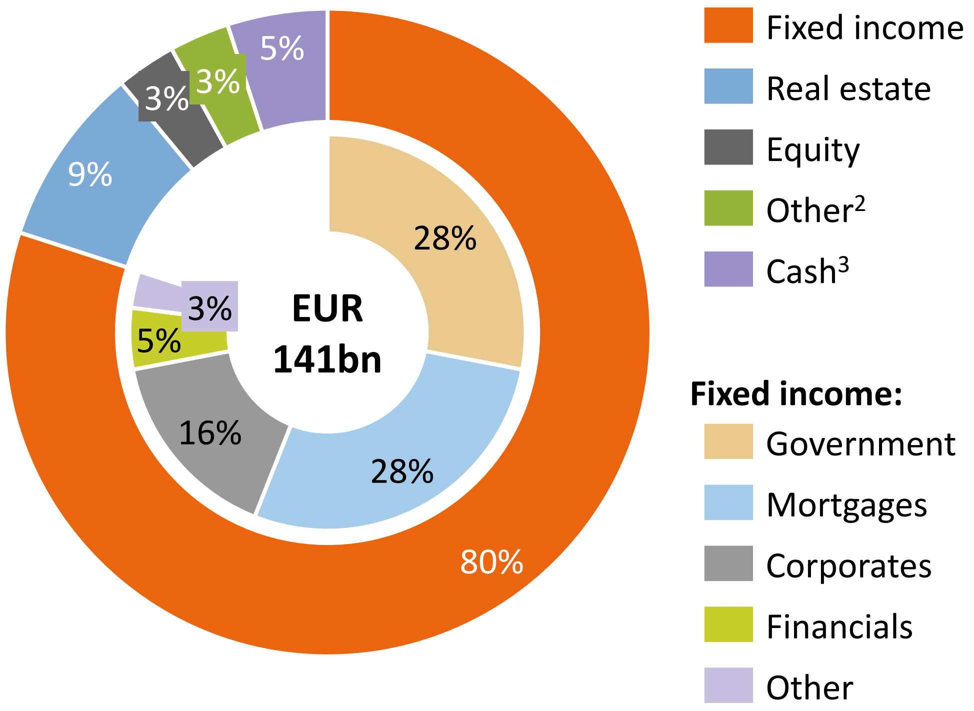
Annemiek van Melick, CFO

NN

High-quality investment portfolio

Investment portfolio (NN Group excluding banking)[1]

(30 June 2023)

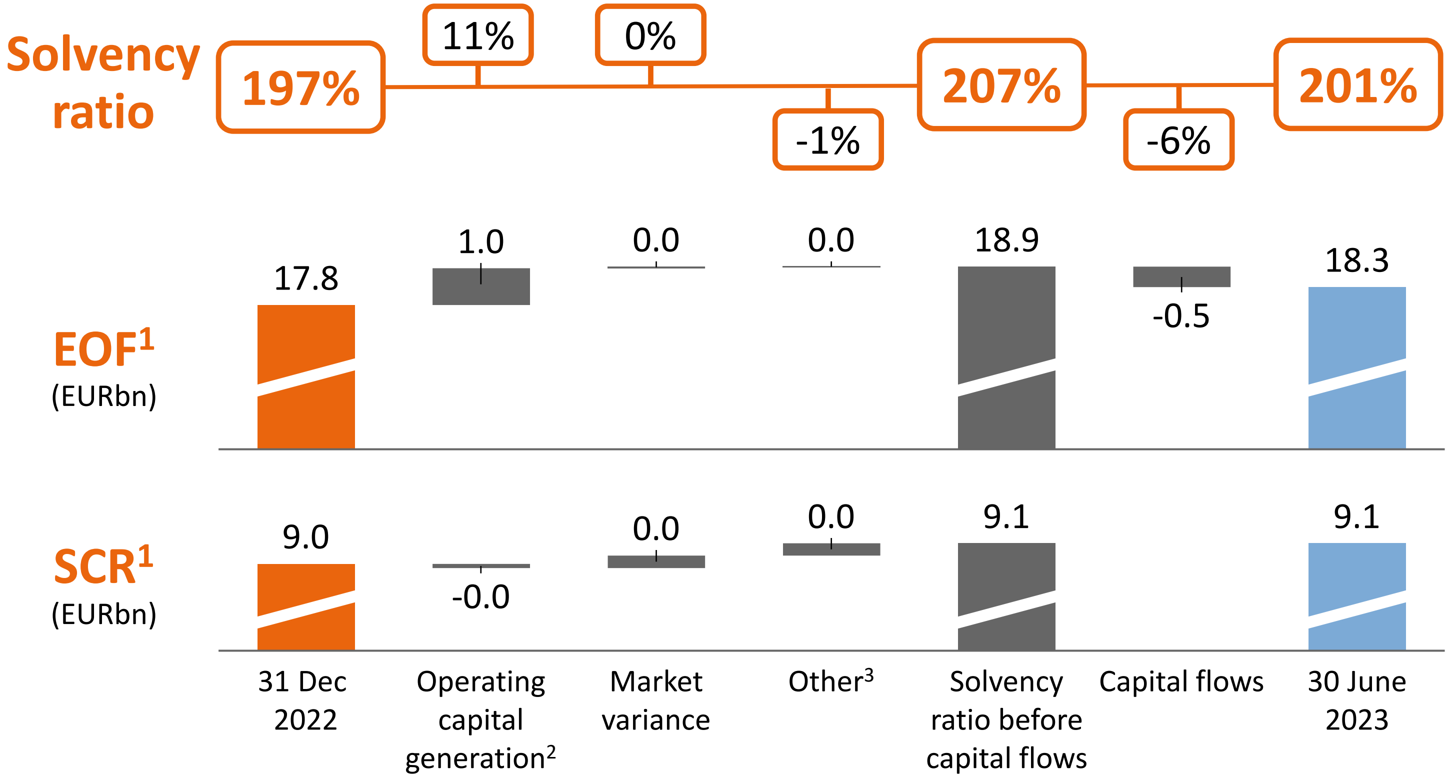


- High-quality and conservative investment portfolio
- Diversified real estate exposure across segments and regions
  - Core profile and strong occupancy rate >95%
  - Ability to price in inflation through rental income
  - Low leverage of ~18%
- Strong credit quality mortgage portfolio
  - Strict personal bankruptcy laws in the Netherlands
  - ~25% are guaranteed, mainly by the Dutch state (NHG)[4]
  - Average loan to value of 55%[5], with only ~10% LTV>80%
  - ~76%[6] has a fixed rate period >10 years
  - Credit losses in own portfolio close to zero
- Close to strategic asset allocation target and gradual optimisation of investment portfolio

All figures at 30 June 2023

1. Market value, excluding separate account assets; NN Group excluding NN Bank; mortgages are on amortised cost value; 2. Includes fixed income and equity mutual funds; excludes money market mutual funds ; 3. Cash includes money market mutual funds; 4. The National Mortgage Guarantee is referred to in Dutch as 'NHG' or 'Nationale Hypotheek Garantie'; Includes EUR ~1.5bn mortgages that are guaranteed by third-party providers; Note that this number is closer to 30% when including the mortgages that are on the balance sheet of NN Bank; 5. Weighted net loan to indexed market value based on mortgages sourced by NN Bank for insurance entities; 6. Remaining fixed interest rate period based on mortgages sourced by NN Bank for insurance entities

Solvency ratio at 201% despite real estate revaluations



- Solid solvency ratio at 201%
- 1H23 operating capital generation of EUR 997m added 11%-points to the solvency ratio
- Market impact was broadly neutral, mainly reflecting credit spread changes, offset by negative real estate revaluations and steepening at the longer end of the interest rate curve
- Management action taken reduced sensitivity to steepening of the interest rate curve
- Capital flows reflect the regular EUR 250m share buyback programme announced in February 2023 and the EUR 309m interim 2023 dividend
- Ample financial flexibility with Tier 1 headroom over EUR 1.5bn and Tier 2 + Tier 3 headroom of EUR 0.5bn[4]

1. Eligible Own Funds and Solvency Capital Requirement; Includes available and required regulatory capital for Solvency II entities, Japan Life, Banking and CEE pension funds
2. Operating capital generation (OCG) includes Solvency II entities, Japan Life, Banking and CEE pension funds, as well as the accruals of the qualifying debt and holding expenses
3. Other includes model and assumption changes, the change of non-available Own Funds and special items related to non-Solvency II regulated entities and the holding company, as well as the change in SCR as a result of asset portfolio changes
4. In May 2023, NN Group issued EUR 1bn Tier 2 dated subordinated notes and used the proceeds to repurchase EUR 665m of Tier 2 dated subordinated notes and EUR 335m of undated restricted Tier 1 subordinated notes callable in 2024. The transactions had no material impact on total tiering capacity, but temporarily increase Tier 1 restricted headroom and decrease Tier 2 headroom.

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Solid OCG delivery with favourable business mix effects

OCG[1] by segment (EURm)	1H23	1H22	Developments 1H23 versus 1H22
Netherlands Life	523	580	Lower investment return and SCR release, less positive experience variance and a lower new business contribution were partly offset by a lower net negative impact of UFR drag and risk margin release as a result of higher interest rates
Netherlands Non-life	210	144	Strong underlying business performance while last year was negatively impacted by the February storm
Insurance Europe	218	198	Strong business performance as well as a positive contribution from acquired MetLife businesses
Japan Life	68	74	Broadly stable excluding currency impacts; lower new business strain as a result of lower sales was offset by higher hedge costs due to higher USD rates and lower surrender profit
Banking	70	11	Higher statutory net result and a lower RWA increase
Other	-91	-140	Higher OCG of internal reinsurance business reflecting a favourable experience variance and a lower capital consumption at both the reinsurance business and the holding
Operating capital generation excl AM[2]	**997**	**869**	

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. Total OCG for the first half of 2022 excludes EUR 31m from the Asset Management (NN IP) business, reflecting the first quarter results following its sale in April 2022

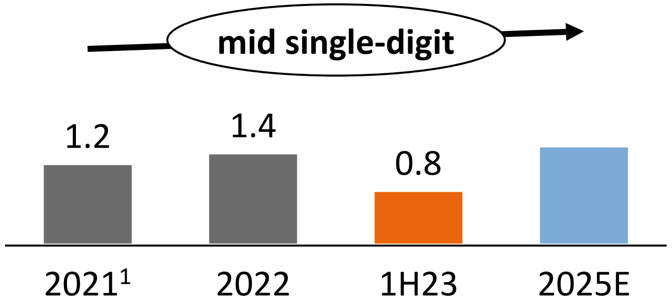
Operating result also shows strong momentum

Operating result (EURm)	1H23	1H22	Developments 1H23 versus 1H22
Netherlands Life	810	691	Mainly reflecting timing effects in the investment result, higher other insurance results and a higher profit margin, partly offset by a lower technical result
Netherlands Non-life	226	190	Strong P&C and Disability results; 1H22 was impacted by claims related to the February storm Combined ratio of 90.1% versus 93.5% in 1H22
Insurance Europe	219	185	Higher profit margin, a higher investment result and a positive contribution from the acquired MetLife businesses. This was partly offset by a lower service expense result and lower result from pension business
Japan Life	102	102	Excluding currency effects, the operating result increased by 8.9%: higher profit margin and higher technical result, partly offset by a lower service expense result and lower other results
Banking	113	49	Mainly reflecting higher interest result
Other	−71	−94	Mainly reflecting a higher holding result and a higher operating result of the reinsurance business
Operating result excl. AM	**1,400**	**1,124**	

- Net result of EUR 586m, down from EUR 1,741 million in the first half of 2022, which benefited by the gain on the sale of NN IP
- Excluding the gain of the sale of NN IP (EUR 1.1bn) and the effect of taxes and minorities, the net result is broadly stable. The current period mainly reflects the higher operating result, offset by lower gains/losses and impairments.

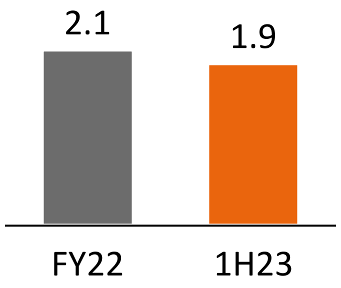
Strong balance sheet and on track to achieve mid-single digit FCF growth

FCF development (EURm)

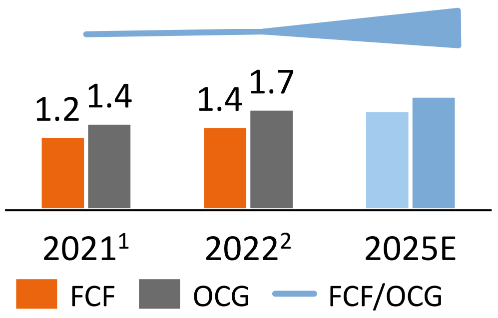


Comfortable cash capital position

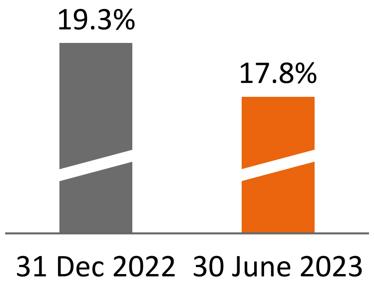
(EURbn)



FCF/OCG conversion ratio (EURbn)



Financial leverage ratio (based on IFRS 17)



- On track to achieve mid single-digit FCF growth versus 2021 level
- FCF of EUR 832m at 1H23 includes a non-recurring remittance from NN Belgium following the sale of a closed book
- FCF/OCG expected to grow gradually
- Cash capital position of EUR 1.9bn despite repayment of EUR 500m senior notes
- Financial leverage ratio based on IFRS 17 lower than on IFRS4 reflecting inclusion of CSM; 1H23 decrease reflects EUR 500m repayment

1. Normalised Free Cash Flow (FCF) reflecting the exclusion of NN IP (EUR 110m in FY21), a catch-up dividend of the Bank due to Covid 19 and normalisation for Japan Life and Other; Normalised OCG reflects the exclusion of NN IP (EUR 135m in 2021).
2. FCF is adjusted for the issuance of EUR 500m subordinated notes by the Holding, the proceeds of which were used to provide an intercompany loan of EUR 500m to NN Life, which NN Life used to redeem an external legacy Tier 2 debt in August 2022

Key takeaways

David Knibbe, CEO

NN

Key takeaways

- Good progress on execution of strategy focused on customers, people and society
- Robust balance sheet and capital position: solvency ratio at 201% and holding company cash capital at EUR 1.9bn
- Strong operating capital generation with a year-on-year increase of 14.8% on a like-for-like basis, underscoring the strength of our diversified portfolio of businesses
- Europe growth momentum continued despite the challenging macro environment in various geographies
- Committed to capital return policy of a progressive dividend per share and annual share buyback of at least EUR 250 million; 2023 interim dividend 12% higher at EUR 1.12 per ordinary share

Q&A

David Knibbe, Annemiek van Melick, Bernhard Kaufmann

Appendices

Operating capital generation by source

OCG[1] by source (EURm)	1H23	1H22
Investment return	620	702
Life – UFR drag	-105	-318
Life – Risk margin release	126	165
Life – Experience variance	27	71
Life – New business	108	102
Non-life underwriting	164	95
Own Funds generation – SII entities	**941**	**817**
Non-Solvency II entities - Japan, Bank, Other[2]	191	192
Holding expenses and debt costs	-144	-144
Own Funds generation – Total	**987**	**864**
Change in SCR	10	35
Operating capital generation	**997**	**899**

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; The reported number for the first half of 2022 includes the NN IP results for the first quarter of 2022 following the sale in April the same year.

Remittances from subsidiaries

Remittances from subsidiaries (EURm)	1H23	1H22	FY22	FY21[3]
Netherlands Life[1]	529	520	1,171	1,048
Netherlands Non-life[1]	106	74	176	123
Insurance Europe[1,2]	319	133	172	192
Japan Life	68	75	75	146
Banking[1]	1	112	113	138
Reinsurance business	-	45	45	60
Other	-	-	1	18
Total	**1,023**	**960**	**1,753**	**1,725**

- Remittances from Insurance Europe in 1H23 include a non-recurring dividend from NN Belgium Life following the sale of the closed book life portfolio in 2H22
- Remittances from Netherlands Life in 2H22 include a non-recurring dividend of EUR 124m following the closing of the acquisition of the ABN AMRO Life business

1. Includes interest on subordinated loans provided to subsidiaries by the holding company
2. Refers to Insurance Europe entities' consolidated totals excluding NN Czech Life insurance business (branch of NN Life)
3. Excludes EUR 110m remittances from Asset Management

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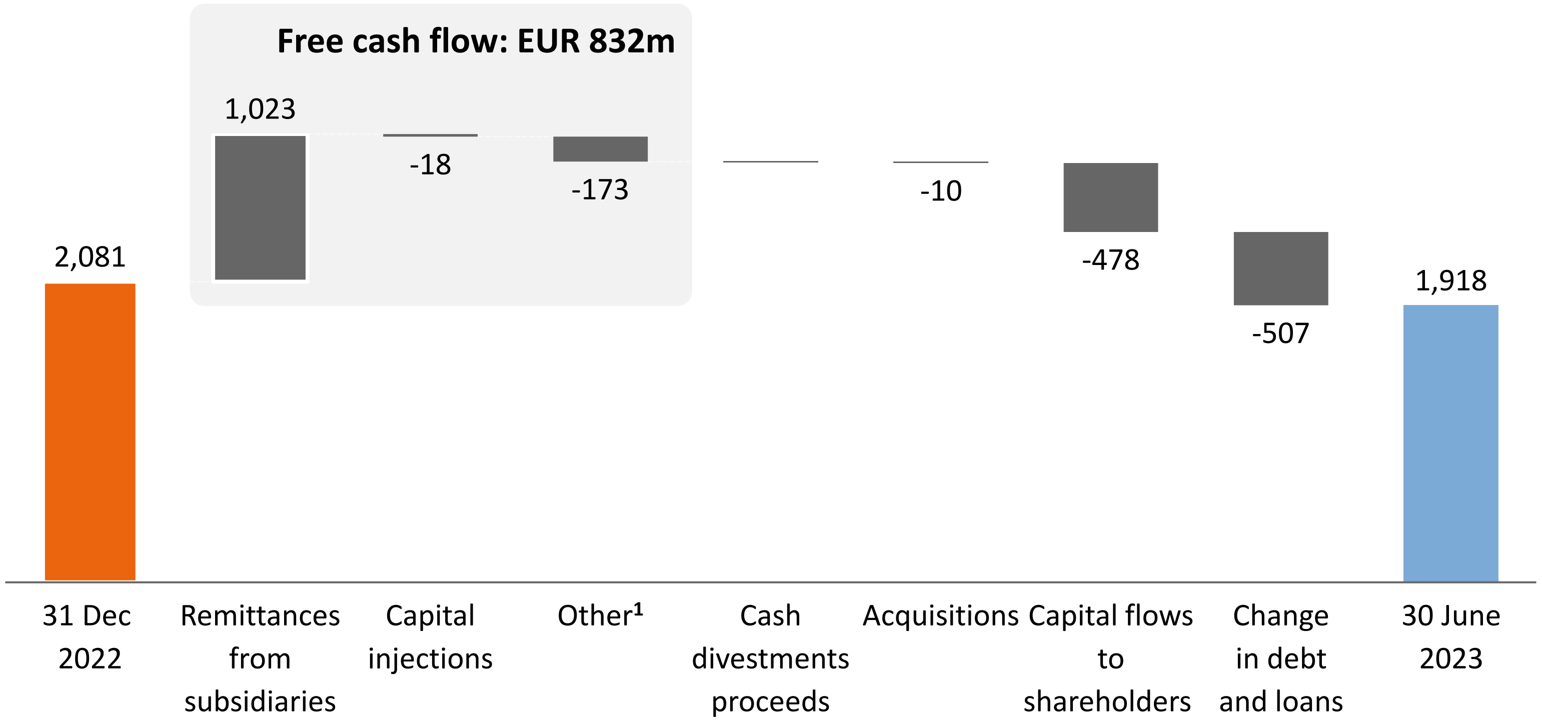
Solvency sensitivities

Solvency ratio sensitivities to market shocks at 30 June 2023[1,2]	Δ EOF (EURbn)	Δ SCR (EURbn)	Δ SII ratio (%-points)
Interest rate: Parallel shock +50bps	-0.3	-0.2	+2%
Interest rate: Parallel shock -50bps	+0.3	+0.2	-1%
Interest rate: 10bps steepening between 20y–30y	-0.1	+0.0	-2%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-0.3	+0.1	-5%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-0.5	+0.1	-7%
Credit spread: Parallel shock corporate bonds +50bps	+0.2	-0.1	+6%
Credit spread: Parallel shock mortgages +50bps	-0.9	+0.0	-10%
Equity: Downward shock -25%	-1.4	-0.3	-8%
Real estate: Downward shock -10%	-1.0	-0.1	-9%
UFR: Downward adjustment by 15bps[3]	-0.1	0.1	-3%

1. Sensitivities are performed for Solvency II entities, NN Life Japan and NN Bank
2. Note that if Tier 3 capital becomes ineligible (Tier 3 eligible capital is maximized at 15% of SCR), the sensitivities increase as there is no offset from tax.
3. According to the latest publication by EIOPA, the UFR level for 2024 is expected to decrease by 15bps to 3.30% from its current level of 3.45%

Holdco cash capital of EUR 1.9bn despite redemption

Movement in holding company cash capital (EURm)



- Free cash flow of EUR 832m driven by remittances from subsidiaries
- Change in debt and loans reflects the repayment of EUR 500m senior notes that matured in January 2023
- Liability management transactions executed to proactively address part of subordinated notes due for refinancing in 2024
  - EUR 1bn of dated green Tier 2 subordinated notes issued in May 2023; the proceeds were used to repurchase upcoming subordinated notes callable in 2024
- Capital flows to shareholders reflect cash dividends paid and share buybacks

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

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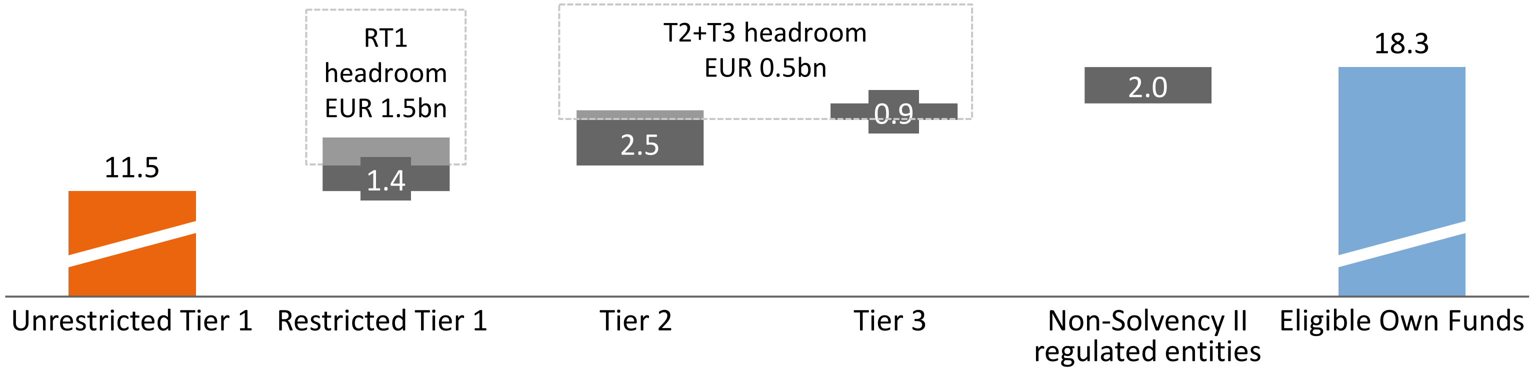
Strong balance sheet with ample flexibility

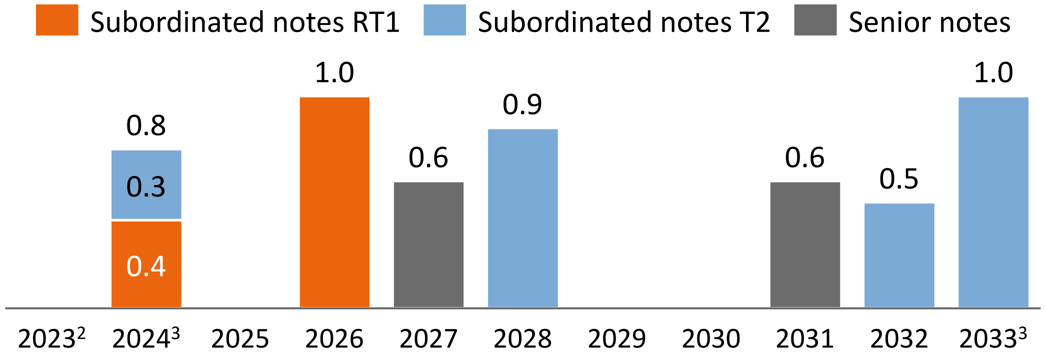
Eligible Own Funds and SII headroom[1] (EURbn)



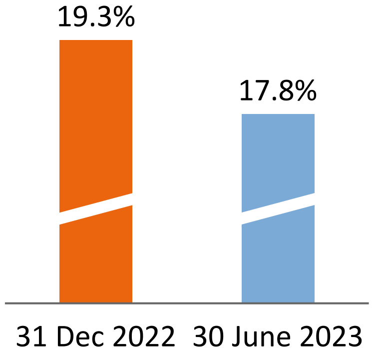
Credit ratings

Financial Strength Rating	30 June 23	31 Dec 22
Standard & Poor's	A Positive	A Positive
Fitch	AA- Stable	AA- Stable

Debt maturity profile (EURbn)

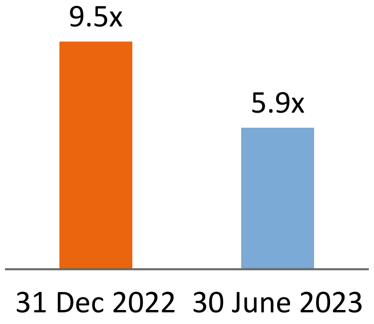


Financial leverage (IFRS based)



Fixed-cost coverage ratio

(IFRS, multiple)



1. Figures at 30 June 2023
2. The senior note of EUR 0.5bn matured and was repaid on 13 January 2023
3. NN Group issued EUR 1 billion of dated green Tier 2 subordinated notes with a maturity of 20.5 years and a fixed coupon at 6.00% per annum until 2033 on 3 May 2023. The proceeds of the issuance were used to repurchase EUR 665 million of dated Tier 2 subordinated notes that were first callable in April 2024 and EUR 335 million of undated restricted Tier 1 subordinated notes that were first callable in June 2024. The transactions had no material impact on total tiering capacity.

Investment portfolio

Investment portfolio (NN Group excl banking)[1] (EURbn)	30 June 2023	31 Dec 2022	*Change*	% of total
Fixed income (excl. mortgages[2])	73.7	76.7	*-3.0*	52%
Mortgages[2]	39.8	40.2	*-0.4*	28%
Real Estate	12.4	12.9	*-0.5*	9%
Equity	3.7	3.8	*-0.1*	3%
Other[3]	4.4	4.0	*0.4*	3%
Cash[4]	7.2	7.1	*0.1*	5%
Total general account assets	**141.2**	**144.8**	***-3.5***	**100%**

- Total investment exposure decreased mainly due to a decrease in the fixed income portfolio
  - Decrease in fixed income portfolio was mainly due to the sale of government bonds
  - Mortgage exposure decreased, mainly reflecting lower production as well as redemptions
  - Real estate exposure decreased as a result of negative revaluations
  - Equity decreased reflecting the sale of equities partly offset by higher equity markets
  - Mutual funds increased, mainly reflecting new investments in EMD, high-yield and equity mutual funds

1. Market value, excluding separate account assets; NN Group excluding NN Bank
2. Dutch residential mortgages
3. Includes fixed income and (infrastructure) equity mutual funds; excludes money market mutual funds
4. Cash includes money market mutual funds

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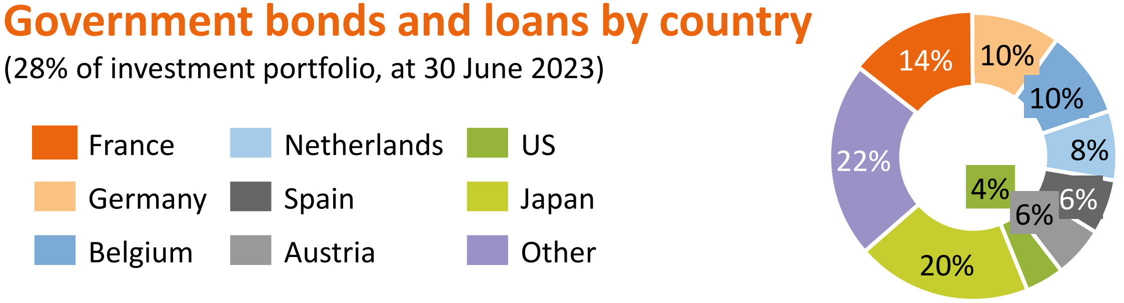
Details of fixed income portfolio

Fixed income[1] (EURm)	30 June 2023	31 Dec 2022	*Change*	% of total
Government bonds[2]	39.6	42.0	*-2.4*	28%
Corporates[2]	23.0	23.1	*-0.0*	16%
Financials[2]	7.3	7.4	*-0.2*	5%
ABS	2.8	3.2	*-0.4*	2%
Other loans	1.0	1.1	-0.0	1%
Total	**73.7**	**76.7**	***-3.0***	**52%**

Government bonds and loans by country

(28% of investment portfolio, at 30 June 2023)



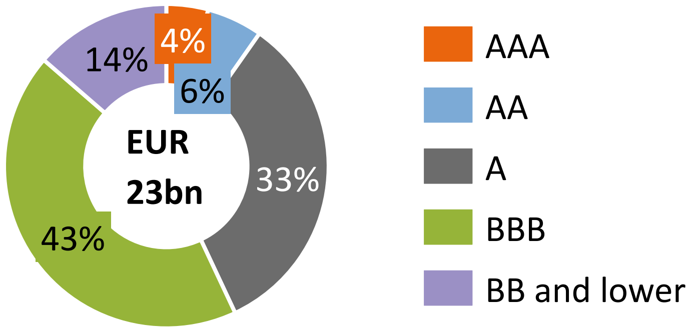
- Core of fixed income portfolio consists of AAA-A rated government bonds
- A decrease in the value of the fixed income portfolio was mainly due to the sale of government bonds
- ABS decreased due to redemptions that were not replaced
- Exposure to financials is limited representing ~5% of total investment portfolio, of which ~1% US financials
  - Well-diversified portfolio, skewed to the larger high-quality institutions
  - Exposure to AT1s is negligible and we have no equity exposure to banks

1. Excluding mortgages; Market value, excluding separate account assets; NN Group excluding NN Bank
2. Bonds and loans

Details of corporate bond and equity portfolio

Corporate bonds and loans by rating

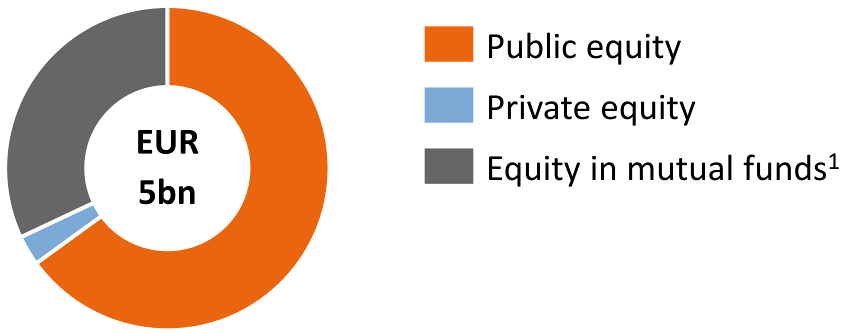
(16% of investment portfolio, at 30 June 2023)



- Robust approach towards credit risk management
  - Well-diversified portfolio to sector and region
  - Bottom-up selection; ESG-driven, high-quality portfolio with aim to mitigate downgrade risk and preserve capital
- >85% of corporates rated BBB or higher
- Underweight corporate bonds vs EIOPA reference portfolio

Equity exposure including mutual funds

(4% of investment portfolio, at 30 June 2023)



- Geographic focus on Western and Northern Europe
- Active portfolio management and strong company engagement
- Well-diversified private equity portfolio across funds, investment styles, market segments and vintages with low leverage

1. The equity exposure in mutual funds mainly reflects private equity

NN

Well-collateralised Dutch mortgage portfolio

Mortgages (excl Banking) (EURbn)	**30 June 2023**	**31 Dec 2022**	***Change***	**% of total**
NHG and other guaranteed[1]	9.9	10.1	*-0.2*	25%
LTV ≤ 80%	25.7	26.8	*-1.1*	66%
LTV 80%-90%	2.0	1.6	*0.4*	5%
LTV 90%-100%	0.9	0.6	*0.3*	2%
LTV > 100%	0.4	0.1	*0.2*	1%
Subtotal	38.9	39.3	*-0.4*	100%
Other mortgage funds	0.9	0.9	*0.0*	
Total	**39.8**	**40.2**	***-0.4***	

Risk measures[2]		
Net loan to indexed MV[3]	56%	54%
% Non-performing loans[4]	0.4%	0.4%

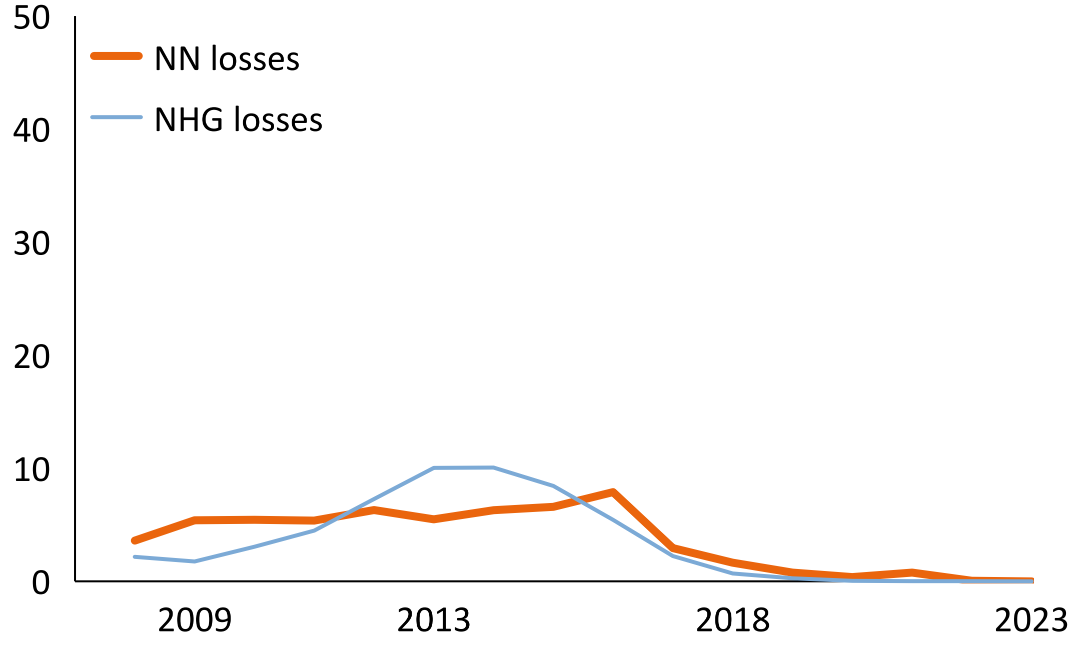
- ~25% guaranteed, mainly by the Dutch state (NHG[1])
- Very comfortable average loan to value of 55%[3], with the vast majority reflecting LTV <80%
- ~76%[5] of the portfolio has a fixed rate period >10 years
- Disciplined underwriting criteria
- Mortgage exposure of EUR 40bn in the insurance entities and another EUR 22bn in the banking business at 30 June 2023
- Mortgages valued at market rates and reflecting pre-payment behaviour
- Majority of mortgages originated by NN Bank; total origination of EUR 2.2bn in 1H23
- Woonnu, a label of NN Bank, focuses on sustainable living

1. The National Mortgage Guarantee is referred to in Dutch as 'NHG' or 'Nationale Hypotheek Garantie'; Includes EUR ~1.5bn mortgages that are guaranteed by third-party providers; Note that this number is closer to 30% when including the mortgages that are on the balance sheet of NN Bank; 2. Does not include third party originated mortgage and collateralised mortgages; 3. Weighted net loan to indexed market value based on mortgages sourced by NN Bank for insurance entities; 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); 5. Remaining fixed interest rate period based on mortgages sourced by NN Bank for insurance entities

Actual losses in our Dutch mortgage portfolio very limited

Low historical losses in NN Group mortgage portfolio[1]

(in bps)



- NN Group mortgage portfolio experienced very limited losses <10bps during and after financial crisis in line with market
- Mortgage losses in Dutch market are low
  - Recourse to all assets and earnings of borrowers
  - Strong social security and adequate unemployment benefits
  - As a result, home-owners usually continue paying their mortgages during unemployment
  - Restrictions for high-risk mortgages tightened past years
- Strict personal bankruptcy laws in the Netherlands; property may be sold if unable to pay off debts while remaining responsible for any remaining debt
- Unemployment in the Netherlands at historical low levels and therefore impact of expected rise manageable

1. Losses remaining after recovery measures; mortgages on the NN Group balance sheet
2. Mortgage losses are taken from the NHG annual reports for relevant years

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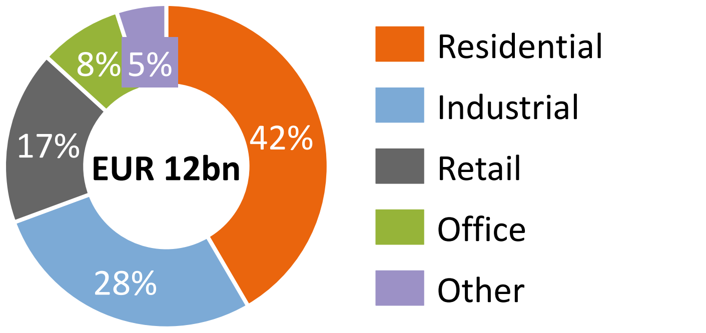
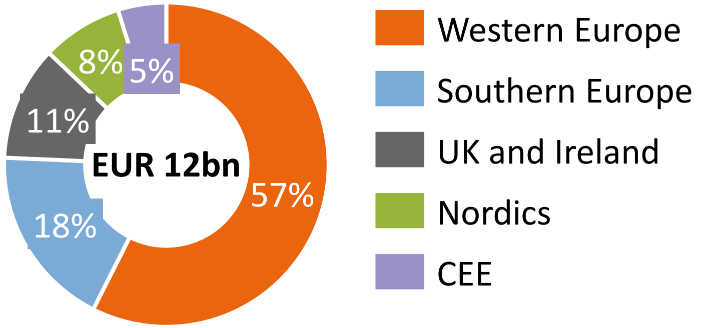
Well-diversified and high-quality real estate portfolio

Real estate exposure by segment[1]

(9% of investment portfolio, 30 June 2023)

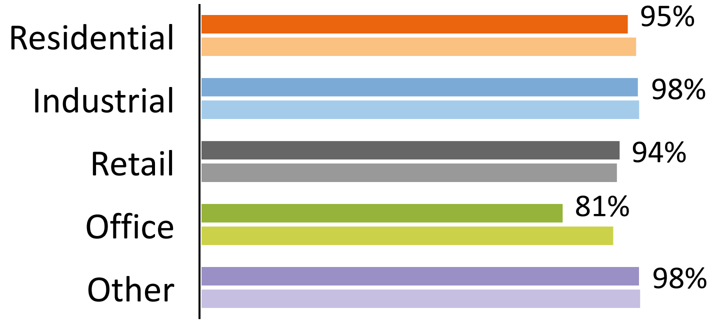


Real estate exposure by geography[1]



Occupancy rate by segment

(30 June 2023 upper line versus 31 December 2022)



Inflation indexation through rent

- **Industrial**: mainly logistics, full indexation
- **Residential:** typically capped by the state
- **Retail:** full indexation, revert at renewal
- **Office:** majority, depends on location
- **Other:** mainly healthcare; partly full indexation, partly capped at 4-5%

- Actively managed portfolio; well-diversified across segments, geographies and investment types[2]
- Low leverage of ~18%; diversified refinancing risk
- Portfolio has a core profile and strong occupancy rate >95%
- Office occupancy rate decreased to 81% in 1H23 reflecting a new building in the portfolio on prime location; we expect recovery to previous levels
- Ability to price in inflation through rental income

1. Breakdown is based on invested capital; Real estate at fair value based on regular appraisals by independent qualified valuers; For more details, please refer to page 181 of NN Group's 2022 annual report
2. Investment types include joint-ventures, mutual funds and direct holdings

NN

IFRS 9/17 - NN continues to steer the business on OCG

IFRS 17 has no impact on strategy or targets

- For NN Group, OCG is a better proxy for cash conversion than IFRS 9/17 profits
- Focus on Solvency II and Operating Capital Generation (OCG) remains unchanged
- No impact on strategy, targets or dividend/capital return

OCG targets in 2025

NN Group[1]
EUR 1.8bn

Netherlands Life
EUR 1.15bn

Netherlands Non-life
EUR 325m

Insurance Europe
EUR 450m

Japan Life
EUR 125m

Banking
EUR 80m

1. NN Group's OCG target is based on all operating units as well as segment Other (EUR ~ 300m in 2025) which includes holding expenses, debt costs and contribution of NN Re; Based on June 2022 markets

NN

IFRS 9/17 - We have chosen for earnings stability

Use of OCI in IFRS 9 and 17

- IFRS 9 and 17 allow changes in financial assumptions (mainly changes in market interest rates and spreads) to be reflected either in P&L or in OCI (equity)
  - NN Group applies the OCI option to assets and liabilities
  - Net impact of interest and spreads in equity (OCI)
  - For insurance portfolios with segregated assets (e.g., Unit Linked) the OCI option is not used for both assets and liabilities (same as current)
- Maximum possible alignment between assets (IFRS 9) and liabilities (IFRS 17), with volatility due to market interest rates and spreads absorbed in OCI (equity)

3 accounting models in IFRS 17

- NN Group applies each of the three accounting models in IFRS 17
  - General Measurement Model (GMM) for traditional life
  - Variable Fee approach (VFA) for unit linked, unless not allowed
  - Premium Allocation Approach (PAA) for non-life P&C

3 transition approaches

- Due to limitations in historical data, NN Group extensively uses the Fair Value transition approach:
  - Fully retrospective where possible (e.g., International)
  - Modified retrospective where needed (e.g., International)
  - Fair value where historical information is not sufficient (most portfolios in the Netherlands)

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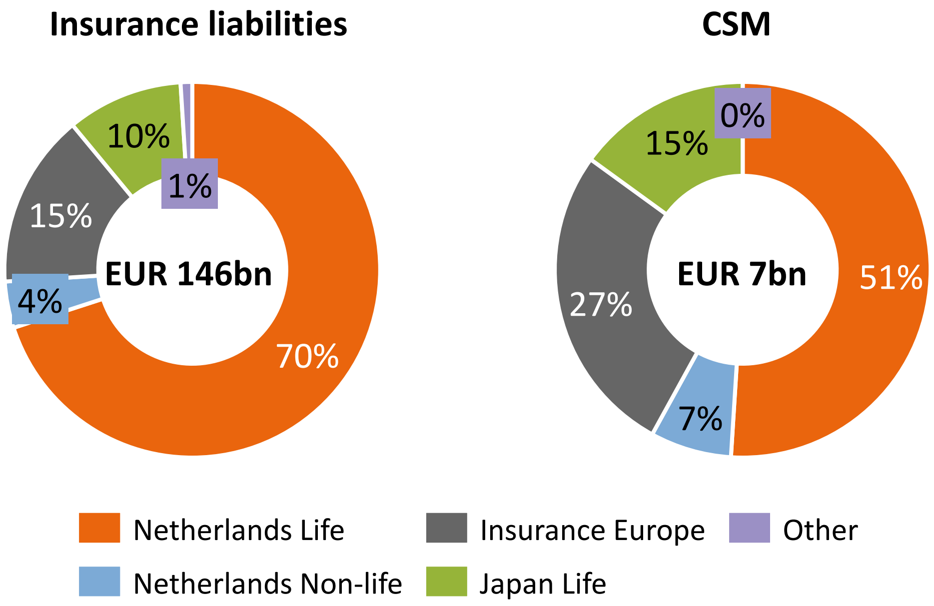
IFRS 9/17 - Operating result and CSM

IFRS 9/17 operating result

- Operating result on the basis of IFRS 9/17 generally higher than the operating result on the basis of IAS39/IFRS 4
  - Mainly due to higher result in NN Life reflecting higher investment margin
  - Contributions from other segments roughly similar
- Many differences with OCG, including:
  - OCG is after tax
  - SCR release not included in IFRS 17
  - Excess returns under IFRS mainly driven by locked-in rates, dividends and rental income, whereas OCG includes expected returns based on current markets
  - Different timing of profit recognition

CSM

- CSM represents unamortised unearned profit
- CSM at transition is highly dependent on Fair Value transition



IFRS 9/17 - Sustainable CSM growth expected

Contractual Service Margin (EURm)	NN Group	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Other
Opening balance	**6,850**	**3,573**	**355**	**1,733**	**1,182**	**7**
Insurance contracts initially recognised in the period	431	69	126	153	80	3
Changes in estimates that adjust the contractual service margin	0	-69	-4	78	0	-6
Release to profit or loss	-375	-109	-18	-159	-88	0
Finance result through profit or loss	32	12	3	15	2	0
Other movements	41	0	41	0	0	0
Foreign currency exchange differences	-88	0	0	38	-126	0
Closing balance	**6,891**	**3,477**	**502**	**1,858**	**1,050**	**4**

- New business contribution of EUR 431m versus a release of EUR 375m, i.e. a net growth from business operations over 1H23 of EUR ~56m.
  - Some organic elements part of changes in estimates, mainly affecting Insurance Europe
  - Japan despite VNB c.-50% down YoY still close to break-even on CSM over 1H23
  - Organic CSM growth is around 2% over 1H23. Optimistic on sustainable organic CSM growth, level to be seen
- Other business units expected to offset Netherlands Life's net release of CSM
  - Limited CSM from Netherlands Life due to Fair Value transition

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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. 2022 Annual Accounts, except for the impact of IFRS 9 and 17 which became effective in 2023 and for which the 2022 comparatives are restated. Details on (the impact of) IFRS 9 and 17 are disclosed in Note 1 ‘Accounting policies’ in the NN Group N.V. 2022 Annual Accounts.

All figures in this document are unaudited. Small differences are possible in the tables 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) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (21) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (22) business, operational, regulatory, reputation and other risks and challenges in connection with ESG related matters and/or driven by ESG factors including climate change, (23) the inability to retain key personnel, (24) adverse developments in legal and other proceedings and (25) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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