NN Group 2H23 results

Enhancing our investor proposition

29 February 2024

NN

Enhancing our investor proposition

David Knibbe, CEO

NN

Today’s key takeaways

Strong performance of our business leading to improved 2025 OCG target of EUR 1.9bn versus EUR 1.8bn before

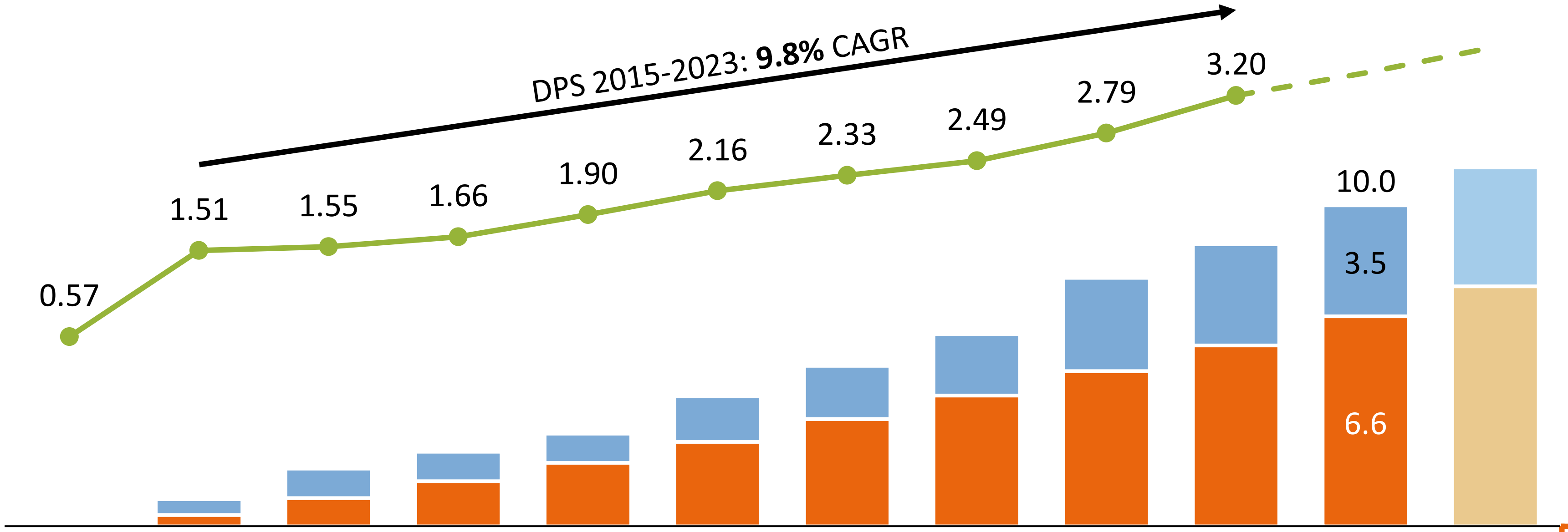
Robust capital position: solvency ratio at 197%, upper-end of 150-200% comfort range and high quality

Explicit FCF target of EUR 1.6bn in 2025 versus guidance of approximately EUR 1.5bn before

Increasing 2023 dividend per share by 15% versus 2022 and recurring annual share buyback of at least EUR 300m

Returned EUR 10bn to shareholders over the past decade

Accumulated payout to shareholders[1,2] (EURbn)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E	**Total 2015-2024**
Share buyback	- -	500	417	- -	- -	500	250	250	1,000[3]	250	300		EUR 3.5bn
Dividend	- -	349	536	526	570	664	705	741	763	804	~900		EUR 6.6bn
													EUR 10.0bn

1. Dividend per share based on declared amounts in book year, total dividend amounts are shown on a cash out basis; 2024-2025 dividends in this graph are indicative and not based on realisations
2. Total share buyback amount shown in the year that the programme commences; 2024-2025 share buybacks are based on EUR 300m, in line with our capital return policy of at least EUR 300m annual share buyback
3. Additional share buyback of EUR 750m on top of the regular EUR 250m, reflecting the net proceeds of the sale of NNIP minus the funding for the acquisition of MetLife Greece and Poland

Final settlement for the unit-linked issue achieved

Deal terms

- NN reached a settlement with all interest groups involved in legal proceedings against NN with respect to unit-linked products
  - Settlement relates to all unit-linked products sold by Dutch subsidiaries of NN Group
- All legal proceedings initiated by the interest groups will be discontinued once the settlement is executed[1]
  - Settlement is subject to a 90% acceptance rate of affiliated policyholders that have received an individual proposal for compensation

Financial ingredients

- Settlement involves EUR ~300m
- A EUR ~360m provision was recognised in 4Q23 to cover the settlement costs
  - Includes EUR 60m[2] for hardship cases and customers unaffiliated with one of the interest groups who have not previously received compensation
- Settlement follows earlier measures adopted by NN, including previous compensation rounds, of EUR ~1bn

Residual risk significantly mitigated

- No new proceedings can be initiated by involved interest groups and their representatives
- Unaffiliated customers may seek compensation via NN desk, or new proceedings before Kifid or Dutch courts
- Residual risk is considered limited given a.o. considerable measures taken over time to compensate policyholders

1. Anticipated ultimately 30 June 2025
2. In addition, approximately EUR 20m is available for these customers through the remainder of a provision recognised as part of the 2008 settlement

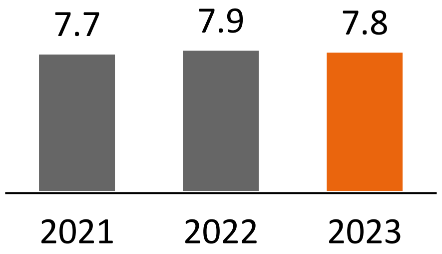
On track to achieve strategic targets

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

Netherlands: on par
International: above

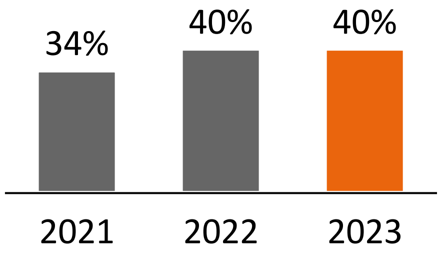
On track

Employee engagement[2] of ≥ 8.0 by 2025



On track

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



On track

Reduction GHG[4] emissions of corporate investment portfolio by 25% by 2025

~10%

On track

More than double investments in climate solutions[5] by +EUR 6bn to EUR 11bn by 2030

EUR ~10.8bn invested

On track

Reaching 1m people in supporting financial, physical and/or mental well-being[6] by 2025

>400,000 people reached

On track

All figures at 31 December 2023; 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. GHG = Greenhouse Gas; Reductions compared with portfolio financed emissions (in tCo2 per EUR million invested at year-end 2021, reflecting underlying emissions of 2019; 5. The total amount invested in climate solutions for the proprietary portfolio, reflecting the nominal value for green bonds, and the market value for certified green buildings, renewable infrastructure and other investments; 6. Cumulative starting 2022

Stable cash flows from Dutch life with upside from pension reform

Market leader in Dutch pensions

- Sustainable release of capital from in-force business secures long-term stable remittance pattern
  - Capital backing the SCR will be released approximately in line with the run-off
- Market leading position generates economies of scale, which in turn can attract new business
  - Largest in-force customer base
  - Highest broker satisfaction scores, which are instrumental to win in DC
  - Broad range of pension solutions
  - Extensive experience in transitioning DB plans and pension funds to DC
  - High customer retention supported by strong customer satisfaction scores

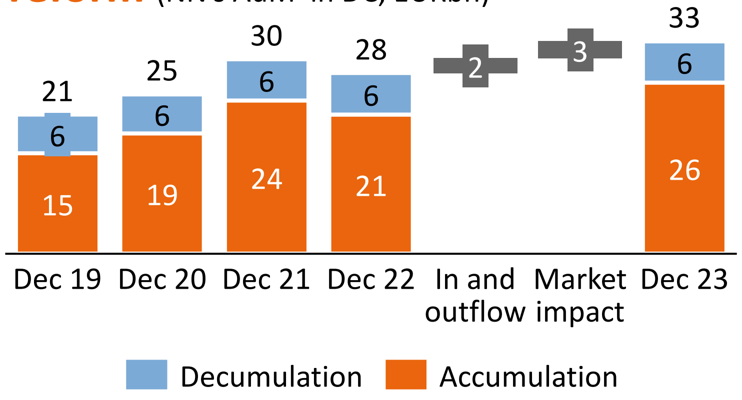
Pension reform provides opportunities for buyouts and expansion of DC market

- New government in the Netherlands could lead to some changes to pension law, but principles expected to remain intact

Disciplined on buyout opportunities, targeting double-digit IRRs

- Solid track record of buyout transactions while maintaining financial discipline
  - One pension buyout deal won in 2023
- EUR ~25bn potential buyout market

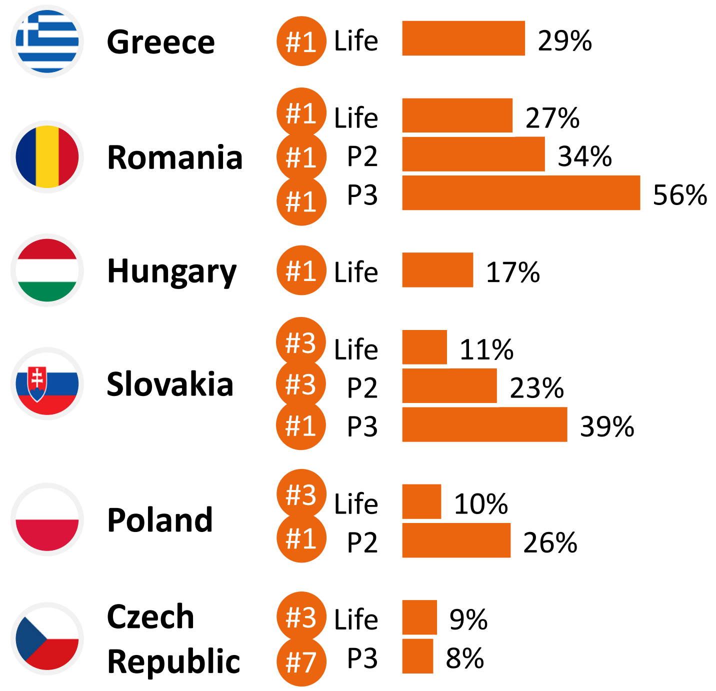
DC target of EUR 32bn AuM in 2025 achieved, upside from pension reform (NN's AuM in DC, EURbn)



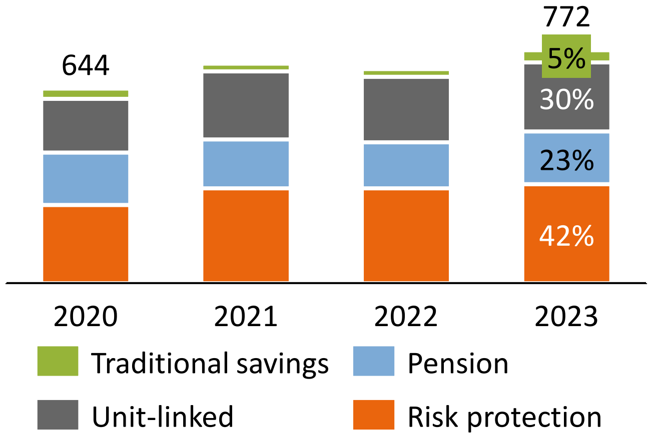
- Net margin of ~15-20bps over AuM, translating into OCG
- Potential expansion of addressable market when pension reform is fully effective could lead to acceleration of inflows

Continued strong growth in Insurance Europe

Strong positions in underpenetrated CEE markets and Greece[1]

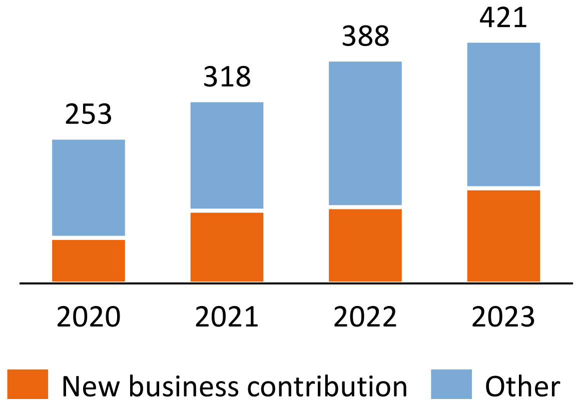


Moderate sales growth and shift to protection products with attractive margins... (APE, EURm)



- Mortgage cycle key for mortgage-linked protection sales; downward pressure in 2023 with gradual recovery expected in 2024

...translating into OCG growth over time (OCG, EURm)



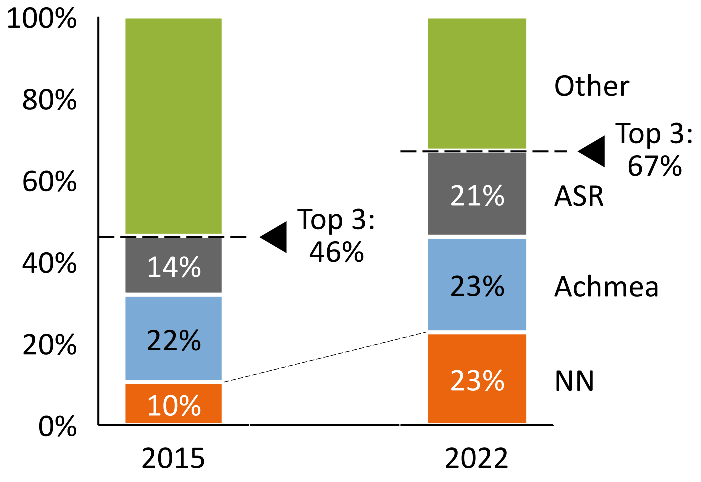
- Continued OCG growth supported by CEE countries despite lower interest rates across the region and higher guaranteed rates in Belgium

1. Market shares and positions based on the end of 2023; P2 = Pillar 2 mandatory pensions; P3 = Pillar 3 voluntary pensions

Improved cash conversion from leading position in Dutch Non-life

Leading position in consolidated Dutch Non-life market

(Market shares Dutch Non-life[1])

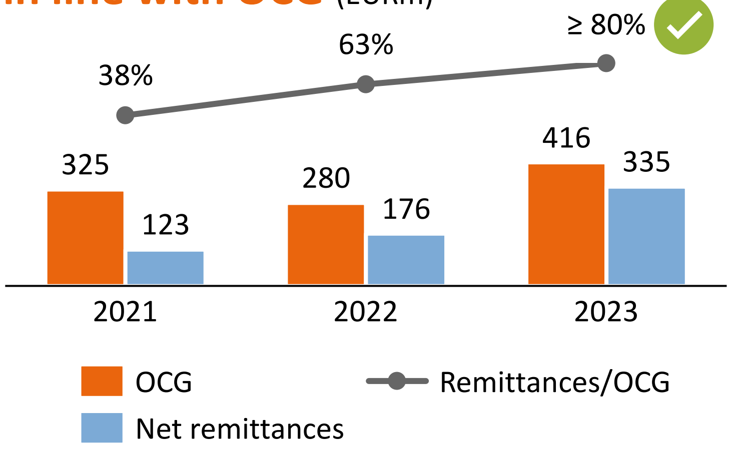


- Consolidation in past years has led to increase of combined market share of top 3 to ~67%, thereby supporting price discipline

Continued strong business performance in 2023

- Excellent results underpinned by solid pricing environment and benign weather in P&C, as well as favourable experience variances in Group Income
    - Combined ratio of 92.6% is within the 91-93% guidance range, despite non-economic volatility
- Comfortable with 91-93% guidance range going forward
    - Overweight disability and fire with strong pricing discipline
    - Underweight in more price sensitive segments, such as motor
    - Leader in sustainable damage repair, supported by AI

Future remittances expected more in line with OCG (EURm)



- Conversion of OCG into remittances expected to stay at a level similar to the Group
- Upside on OCG target of EUR 325m in 2025

1. Source: DNB and Association of Insurers (2016 and 2023). Only Dutch insurers that are subject to DNB-supervision, excluding foreign insurers.

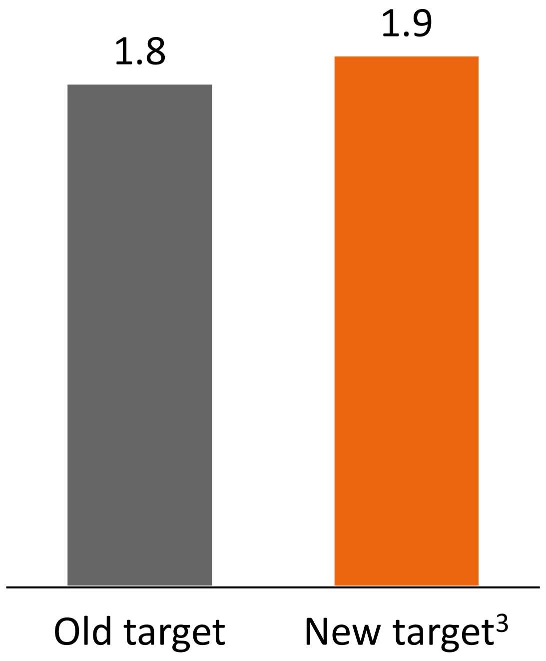
Supporting increase of our 2025 OCG target to EUR 1.9bn

OCG[1] upside for NL Non-life and banking versus target...

(in EURm)

	2023 realised	2025 target	Outlook
Netherlands Life	1,025	1,150	On track
Netherlands Non-life	416	325	↑
Insurance Europe	421	450	On track
Japan Life	107	125	On track
Banking	133	80	↑
Other[2]	-200	~-300	On track

... support increase of 2025 NN Group target (in EURbn)



1. Operating Capital Generation (OCG) is defined as Own Funds generation (before eligibility) and SCR release (at 100%)
2. Other includes holding expenses, debt costs and contribution of NN Re
3. Based on normal weather and normalised mortgage margins, otherwise financial markets on 1 January 2024

Resulting in an enhanced investor proposition

Resilient balance sheet

Group SII ratio

197% (31 Dec 2023)

Higher capital quality

- Lower UFR benefit
- Reduced longevity risk and final settlement of unit-linked issue

Robust investment portfolio

- High quality real estate portfolio
- Solid mortgage book, with no material default experience

Low leverage ratio

Strong business performance

Financial targets 2025

Upgraded

OCG[1] target:

Upgrade: EUR 1.9bn[2]

previous: EUR 1.8bn

Free cashflow target:

Explicit: EUR 1.6bn

previous: implicit EUR 1.5bn, based on mid single-digit growth from normalised EUR 1.2bn in 2021

Step-up in capital return

Dividend per share

EUR 3.20 (+15% vs 2022)

- Continues to be progressive
- Intention to remove scrip

Annual share buyback

At least EUR 300m

and additional excess capital to be returned unless used for value-creating opportunities

Upside to capital return

if NN Group SII ratio is sustainably above 200%

1. Operating Capital Generation; defined as Own Funds generation (before eligibility) and SCR release (at 100%)
2. Based on normal weather and normalised mortgage margins, otherwise financial markets on 1 January 2024

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2H23 results

Annemiek van Melick, CFO

NN

Net cash and capital build secure solid financial foundation

Decisive management actions have lowered tail risks…

Unit-linked settlement
EUR ~360m
provision recognised in 4Q23

Longevity transactions
+~8%-points
on NN Group's solvency ratio at 3Q23

…further increasing comfort with NN's capital position and OCG...

Solvency ratio
197%
31 December 2022: 197%

Operating capital generation
EUR 1.9bn
2022: EUR 1.7bn

…underpinned by continued net capital and cash build-up.

Net annual build-up[1]
Capital ~7-9%-points
Cash EUR ~300-400m

Free cash flow 2025 target
EUR 1.6bn

1. Net capital build-up reflects OCG net of capital flows to shareholders; Net cash build-up reflects FCF net of capital flows paid to shareholders

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Decisive management actions strengthen capital position

Unit-linked settlement

- Settlement relating to unit-linked products[1] with all interest groups involved in collective proceedings against NN
- All legal proceedings to be discontinued
- EUR ~360m provision[2] recognised in 4Q23

Longevity deals NN Life

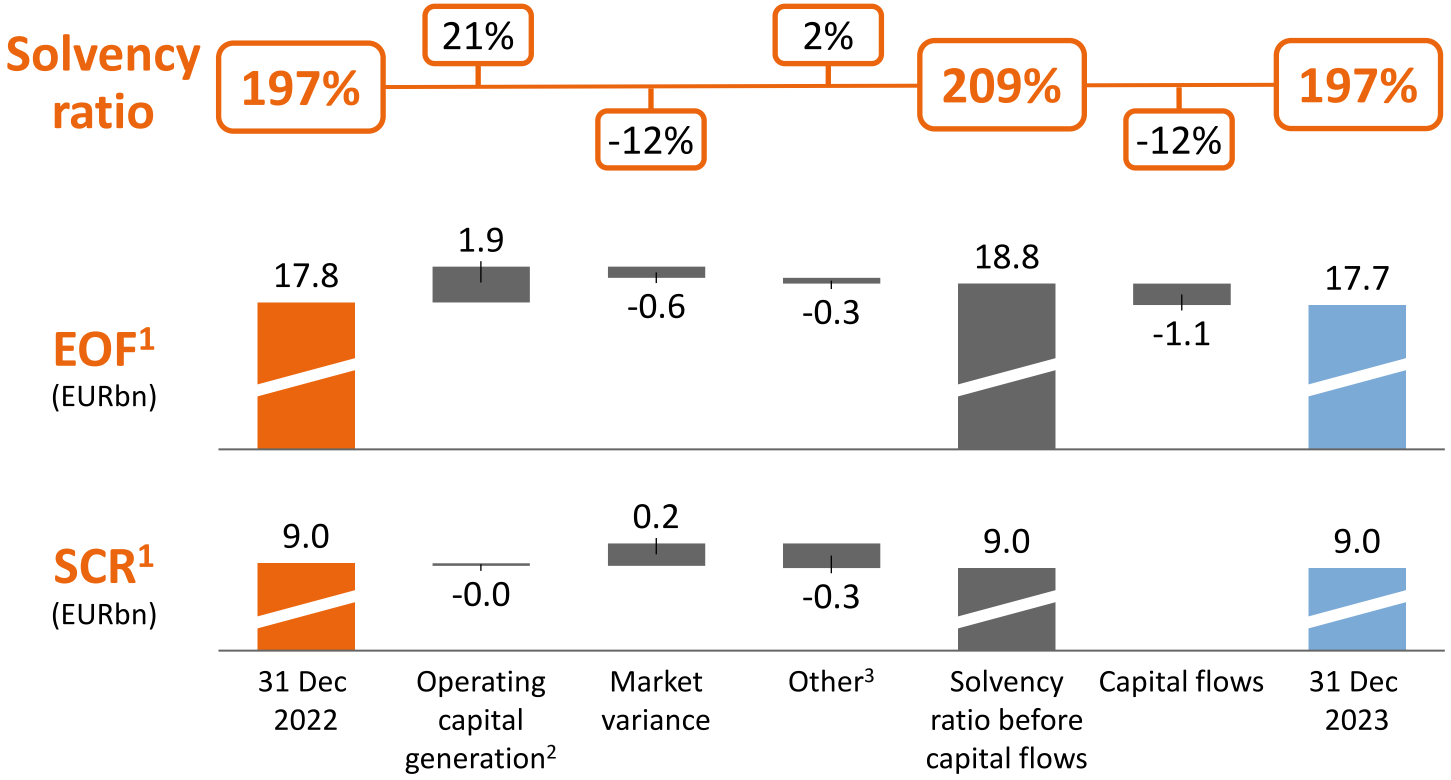
- EUR ~13bn of pension liabilities reinsured
- ~8%-points added to NN Group solvency ratio; ~17%-points for NN Life based on 3Q23 balance sheet
- Limited OCG impact

Other management actions

- Reduced sensitivity to steepening of the interest rate curve in 1H23
- Issued EUR 1bn of dated green subordinated notes on 3 May 2023 to refinance part of Tier 1 and Tier 2 debt
- EUR 1bn injected into NN Life to cover for the provision as well as deployment according to the strategic asset allocation

1. The settlement relates to all unit-linked insurance products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Levensverzekering
2. Including EUR 60m for hardship cases and customers unaffiliated to the interest groups who have not previously received compensation

Robust capital, despite elevated mortgage margins



- FY23 operating capital generation up 13% to EUR 1.9bn, adding 21%-points to the solvency ratio
- Market impact mainly reflects negative real estate revaluations
- Mortgage margins were elevated, which we expect to mean reverse over time
- Other includes the positive impact from the longevity deals at NL Life, partly offset by the unit-linked settlement as well as several smaller items
- Capital flows reflect the regular EUR 250m share buyback programme completed in October 2023, as well as the full-year 2023 dividend

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 and non-eligible 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

Strong acceleration of OCG with favourable mix changes

OCG[1] by segment (EURm)	FY23	FY22	Delta
Netherlands Life	1,025	1,142	-10%
Netherlands Non-life	416	280	+49%
Insurance Europe	421	388	+9%
Japan Life	107	115	-7%
Banking	133	35	+280%
Other	-200	-280	-29%
OCG excl. AM[2]	**1,902**	**1,681**	**+13%**

FY23 OCG up 13% to EUR 1.9bn

- Continued strong business performance Netherlands Non-life, reflecting favourable pricing and benign weather in P&C as well as favourable experience variances in Group Income
- Elevated OCG levels at the bank, benefiting from a higher interest result and lower capital consumption
- Exceptionally strong OCG for segment Other, reflecting strong performance of the reinsurance business and the holding benefiting from a higher cash position and interest rates
- Continued solid growth in Insurance Europe while Japan Life OCG remains strong
- Partly offset by Netherlands Life, reflecting adverse market impacts

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

Operating result reflects momentum

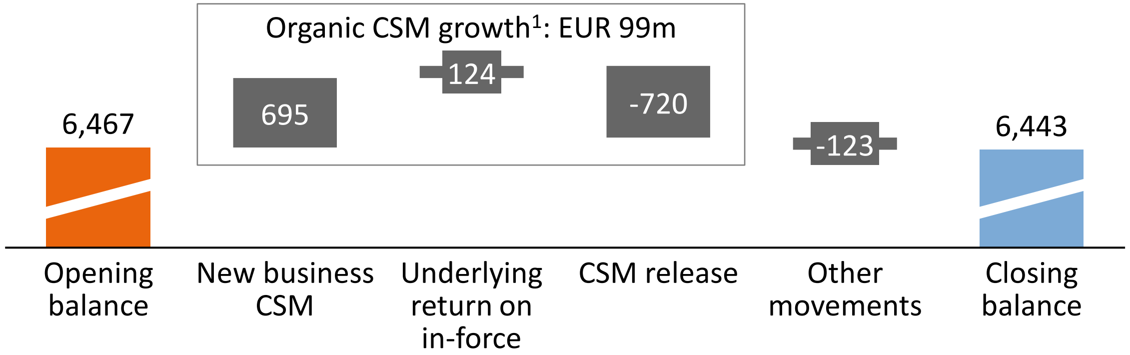
Operating result (EURm)	FY23	FY22
Netherlands Life	1,390	1,429
Netherlands Non-life	364	400
Insurance Europe	468	397
Japan Life	197	217
Banking	226	96
Other	-117	-189
Operating result excl.AM	**2,528**	**2,350**
Non-operating items & special items	-986	-1,595
Acquisition intangibles and result on divestments	-10	955
Result before tax	**1,532**	**1,710**
Taxation & minority interest	361	102
Net profit from discontinued business	0	26
Net result	**1,172**	**1,634**

Higher operating result mainly driven by Banking, Insurance Europe and Other, partly offset by NL Life and Non-life

- Netherlands Life: lower risk adjustment release
- Netherlands Non-life: update of the CSM release pattern
- Insurance Europe: higher profit margin
- Banking: higher interest result
- Other: improved operating result of the reinsurance business

Net movement Contractual Service Margin (CSM) (FY23, EURm)

- ~2% organic CSM growth, reflecting business growth in Insurance Europe and higher margins in Netherlands Non-life, offsetting the net release of CSM of Netherlands Life and Japan Life



1. Organic growth of CSM is defined as the sum of new business added and the underlying return on in-force, minus the release of the CSM to P&L

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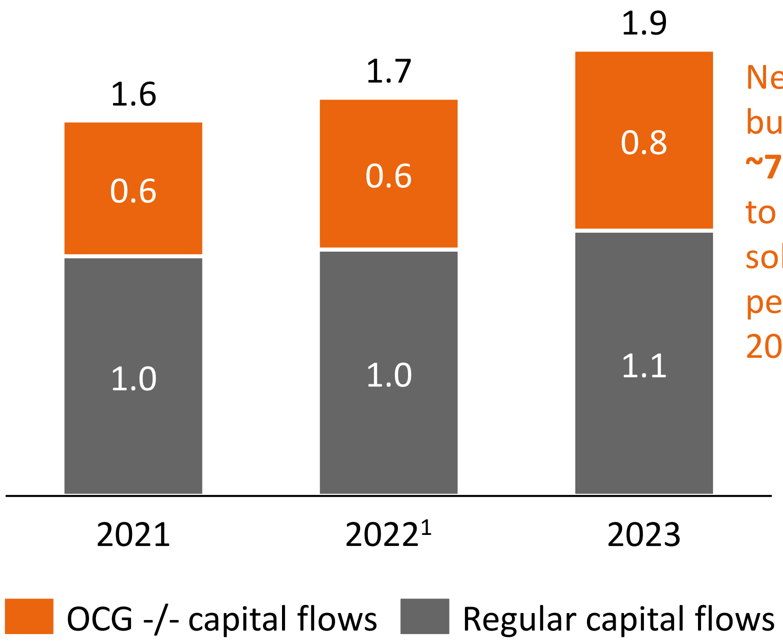
Capital visibility improving, despite continued uncertainty

OCG net of capital flows adds ~7-9%-points per annum supports sustainable solvency build-up (EURbn)



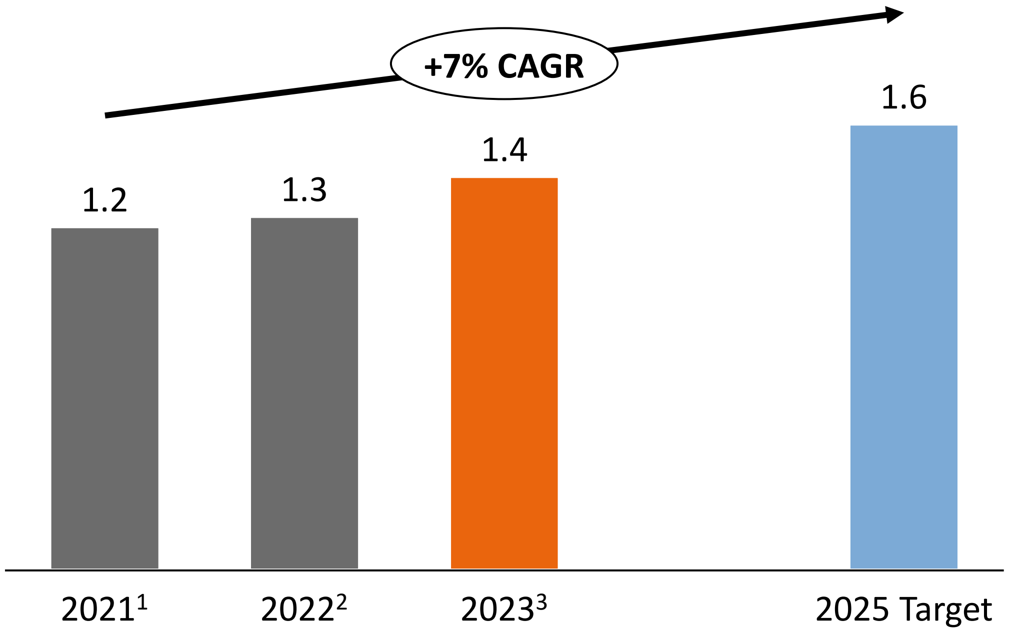
Net capital build added **~7-9%-points** to the solvency ratio per annum in 2021-2023

- In the past, the solvency ratio was impacted by regulatory items such as UFR step-downs, market impacts including real estate revaluations as well as model and assumption changes
- Going forward, mortgage margin normalisation over time is expected to add ~7%-points from end of 2023 level
- Roughly equal to the impact from regulatory items in 1H24, such as UFR step-down of 15bps, CCYB[2] at the bank and VOLA reference portfolio update
- The potential for our net capital build to translate into the solvency ratio is looking more promising for 2024 and 2025, baring in mind continued uncertainty from e.g. markets

1. Capital flows for 2022 excludes the additional share buyback of EUR 750m following the sale of NN IP in April 2022; OCG for 2022 excludes the contribution from NN IP of EUR 31m.
2. Countercyclical buffer

Explicit FCF target of EUR 1.6bn in 2025 introduced

FCF target of EUR 1.6bn in 2025[1] (EURbn)

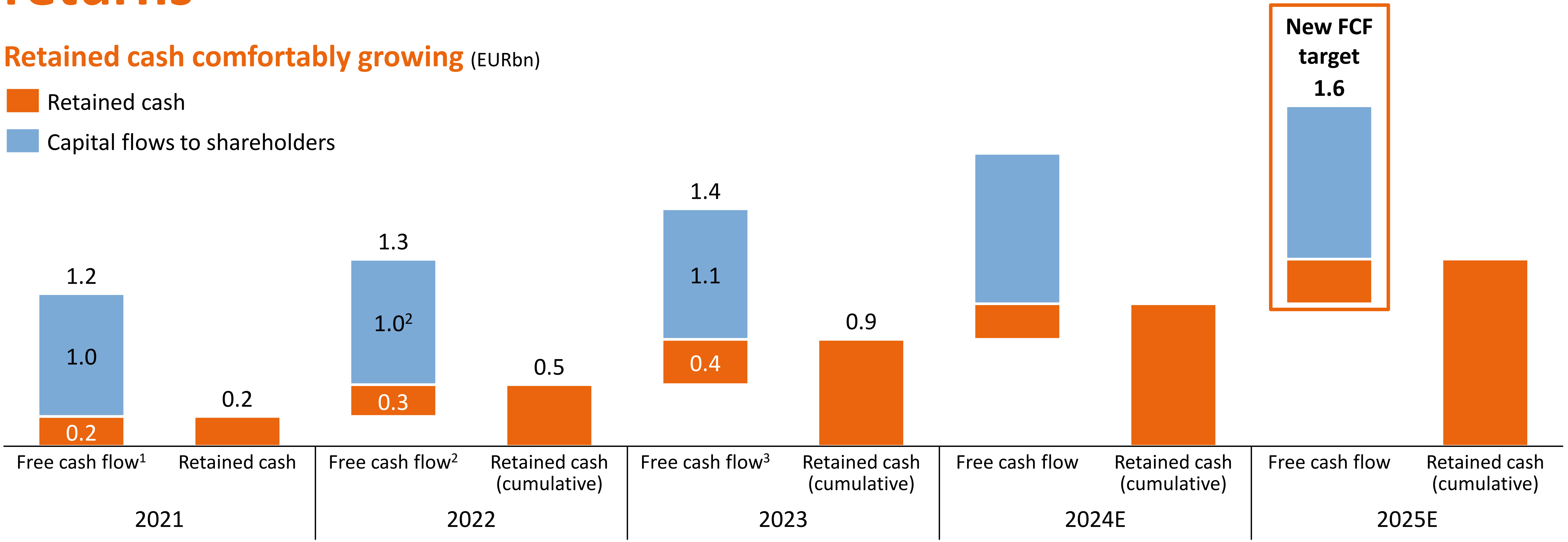


- Upgrading FCF target to EUR 1.6bn, from implicit EUR 1.5bn in 2025 based on mid single-digit growth versus 2021 level
- The increase is primarily supported by more confidence for increased remittances from NL Non-Life and the bank, and a continuation of growing remittances from Insurance Europe
- FCF is supported by stable and predictable remittances from NN Life of EUR ~1.1bn per annum

1. Free Cash Flow (FCF) is defined as remittances from subsidiaries net of capital injections, interest on subordinated loans and debt, holding company expenses and other cash flows. Normalised FCF for 2021 is EUR 1.2bn, reflecting the exclusion of NN IP (EUR 110m in 2021), a catch-up dividend of NN Bank due to Covid-19 and normalization for Japan Life and segment Other
2. FCF for 2022 is adjusted for the issuance of EUR 500m subordinated notes by the Holding, the proceeds of which were used to provide an EUR 500m intercompany loan to NN Life, which NN Life used to redeem an external legacy Tier 2 debt in August 2022 as well as the non-recurring dividend for NN Life following the closing of the acquisition of the ABN AMRO Life business of EUR 124m
3. FCF for 2023 is adjusted for the EUR 1bn capital injection into NN Life and EUR 60m capital injection into NN Spain, as well as the non-recurring dividend for Belgium following the sale of a closed book life portfolio

Cash build-up remains strong, even with higher capital returns

Retained cash comfortably growing (EURbn)



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Resulting in an enhanced investor proposition

Resilient balance sheet

Group SII ratio

197% (31 Dec 2023)

Higher capital quality

- Lower UFR benefit
- Reduced longevity risk and final settlement of unit-linked issue

Robust investment portfolio

- High quality real estate portfolio
- Solid mortgage book, with no material default experience

Low leverage ratio

Strong business performance

Financial targets 2025

Upgraded

OCG[1] target:

Upgrade: EUR 1.9bn[2]

previous: EUR 1.8bn

Free cashflow target:

Explicit: EUR 1.6bn

previous: implicit EUR 1.5bn, based on mid single-digit growth from normalised EUR 1.2bn in 2021

Step-up in capital return

Dividend per share

EUR 3.20 (+15% vs 2022)

- Continues to be progressive
- Intention to remove scrip

Annual share buyback

At least EUR 300m

and additional excess capital to be returned unless used for value-creating opportunities

Upside to capital return

if NN Group SII ratio is sustainably above 200%

1. Operating Capital Generation; defined as Own Funds generation (before eligibility) and SCR release (at 100%)
2. Based on normal weather and normalised mortgage margins, otherwise financial markets on 1 January 2024

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Wrap up

Today's key takeaways

Strong performance of our business leading to improved 2025 OCG target of EUR 1.9bn versus EUR 1.8bn before

Robust capital position: solvency ratio at 197%, upper-end of 150-200% comfort range and high quality

Explicit FCF target of EUR 1.6bn in 2025 versus guidance of approximately EUR 1.5bn before

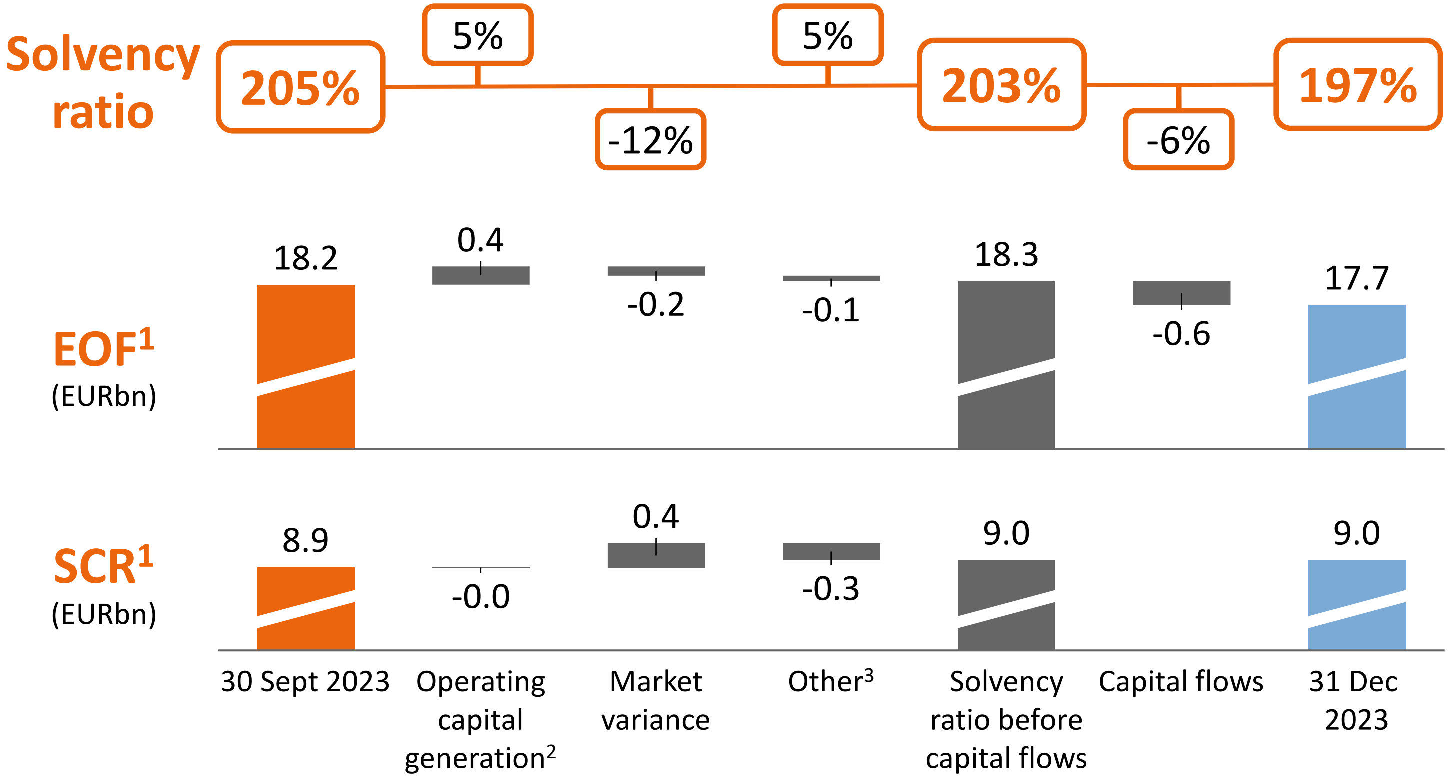
Increasing 2023 dividend per share by 15% versus 2022 and recurring annual share buyback of at least EUR 300m

Q&A

David Knibbe, Annemiek van Melick, Bernhard Kaufmann

Appendices

Solvency ratio at 197% despite elevated mortgage margins



- Solid solvency ratio at 197%
- 4Q23 Operating capital generation added ~5%-points to the solvency ratio
- Market impact was negative, mainly reflecting higher mortgage spreads and changes in interest rates
- Attractive longevity deals at NN Life added to the ratio, partly offset by the unit-linked settlement
- Capital flows reflect the EUR 570m final 2023 dividend

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3. Other includes model and assumption changes, the change of non-available and non-eligible 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

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Solvency sensitivities

Solvency ratio sensitivities to market shocks at 31 Dec 2023[1,2]	Δ EOF (EURbn)	Δ SCR (EURbn)	Δ SII ratio (%-points)
Interest rate: Parallel shock +50bps	-0.3	-0.2	+1%
Interest rate: Parallel shock -50bps	+0.4	+0.3	-1%
Interest rate: 10bps steepening between 20y–30y	-0.2	+0.0	-2%
Credit spread: Parallel shock for AAA-rated government bonds +50bps	-0.4	+0.0	-4%
Credit spread: Parallel shock for AA and lower-rated government bonds +50bps	-0.7	+0.0	-7%
Credit spread: Parallel shock corporate bonds +50bps	+0.4	-0.1	+6%
Credit spread: Parallel shock mortgages +50bps	-1.1	+0.0	-12%
Equity: Downward shock -25%	-1.6	-0.3	-12%
Real estate: Downward shock -10%	-1.2	-0.1	-12%
UFR: Downward adjustment by 15bps[3]	-0.2	+0.0	-2%

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. In 2024, the UFR level will be reduced by 15bps to 3.30% from 3.45%

Solid OCG delivery with favourable business mix effects

OCG[1] by segment (EURm)	2H23	2H22	FY23	FY22	Developments 2H23 versus 2H22
Netherlands Life	502	561	1,025	1,142	Lower investment return and SCR release, partly offset by the higher net positive impact of the UFR drag and risk margin release as a result of higher interest rates
Netherlands Non-life	206	136	416	280	Strong business performance, whereas 2H22 was negatively impacted by material hardening of the reinsurance market
Insurance Europe	203	190	421	388	Strong business performance and underlying organic growth
Japan Life	39	41	107	115	Lower new business strain which was more than offset by the impact of a reinsurance transaction and negative currency impacts
Banking	63	24	133	35	Higher interest result, benefiting from a delayed pass-through on savings accounts as a result of swift policy rate action undertaken by the ECB.
Other	-109	-140	-200	-280	Strong result of the reinsurance business and a higher return on cash at the Holding
OCG excl. AM[2]	**904**	**812**	**1,902**	**1,681**	

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 FY22 excludes EUR 31m from the Asset Management (NN IP) business, reflecting the first quarter results following its sale in April 2022

Operating capital generation by source

OCG[1] by source (EURm)	2H23	2H22	FY23	FY22
Investment return	605	677	1,226	1,379
Life – UFR drag	-58	-132	-163	-450
Life – Risk margin release	124	129	250	294
Life – Experience variance	-13	-36	14	35
Life – New business	72	79	180	180
Non-life underwriting	165	122	329	217
Own Funds generation – SII entities	**896**	**838**	**1,836**	**1,655**
Non-Solvency II entities - Japan, Bank, Other[2]	142	102	333	263
Holding expenses and debt costs	-148	-138	-293	-282
Own Funds generation – Total	**889**	**802**	**1,876**	**1,636**
Change in SCR	16	10	26	45
OCG excl. AM[3]	**904**	**812**	**1,902**	**1,681**

OCG sensitivities[4] (31 Dec 2023, EURm)	Δ OCG
Interest rates: Parallel shock +50bps	+5
Interest rates: Parallel shock -50bps	-20
Mortgage spreads: Parallel shock +50bps	+65
Equity: Downward shock -25%	-80
Real estate: Downward shock -10%	-45

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. Total OCG for the FY2022 excludes EUR 31m from the Asset Management (NN IP) business, reflecting the first quarter results following its sale in April 2022; 4. Reflecting the impact on Eligible Own Funds only

Remittances from subsidiaries

Remittances from subsidiaries (EURm)	2H23	1H23	FY23	FY22	FY21[3]
Netherlands Life[1]	530	529	1,059	1,171	1,048
Netherlands Non-life[1]	229	106	335	176	123
Insurance Europe[1,2]	52	319	370	172	192
Japan Life	-	68	68	75	146
Banking[1]	21	1	21	113	138
Reinsurance business	-	-	-	45	60
Other	1	-	1	1	18
Total	**832**	**1,023**	**1,855**	**1,753**	**1,725**

- Remittances from Insurance Europe in 1H23 include a non-recurring dividend of EUR 120m from NN Belgium Life following the sale of a 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 NN IP

NN

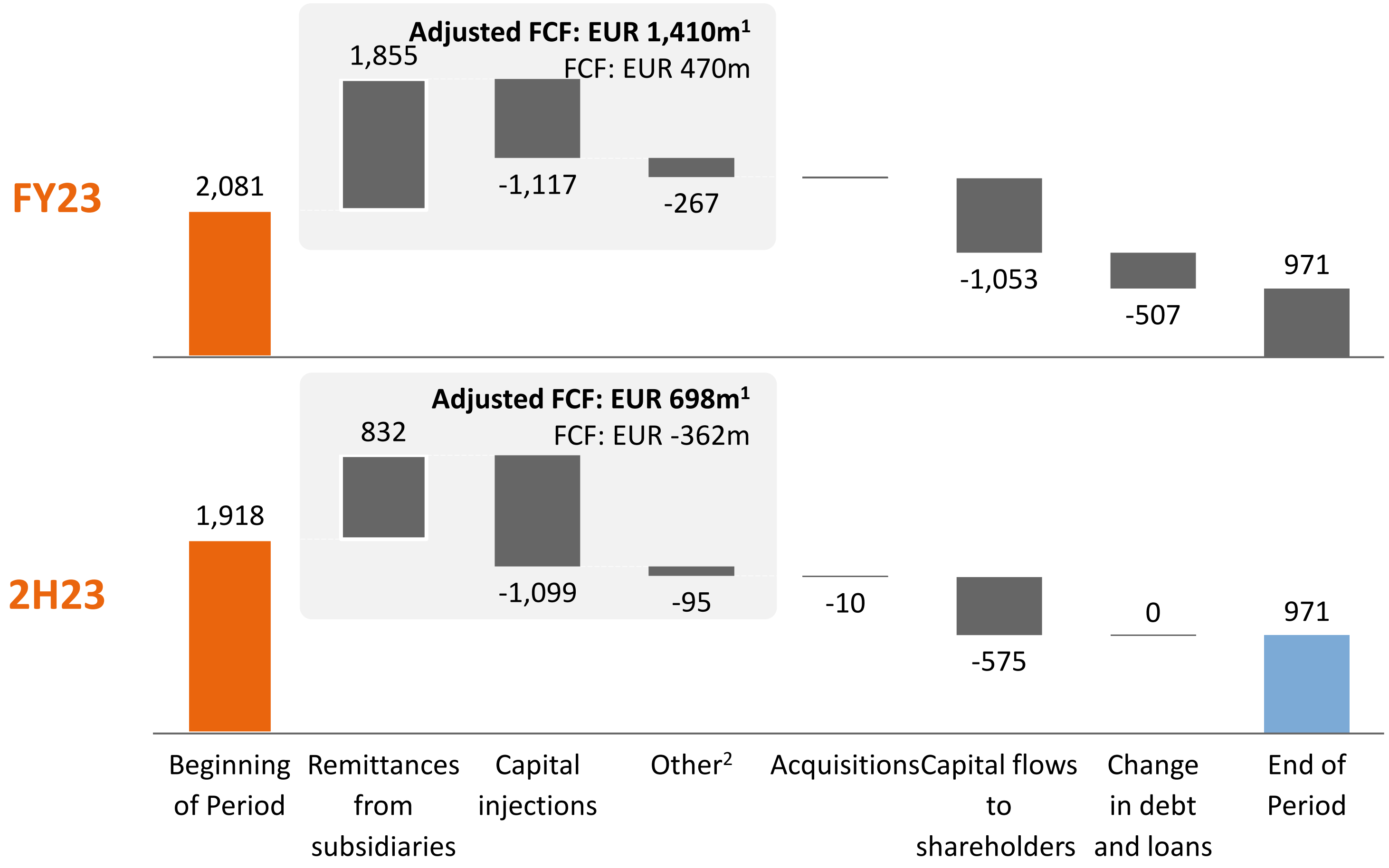
Operating result also shows strong momentum

Operating result (EURm)	2H23	2H22	FY23	FY22	Developments 2H23 versus 2H22
Netherlands Life	581	738	1,390	1,429	Lower investment, technical and other result partly offset by a higher profit margin and service expense result
Netherlands Non-life	137	210	364	400	Mainly due to a change of the contractual service margin (CSM) release pattern of the Group Income portfolio. Combined ratio 95.0% vs 91.2% 2H22
Insurance Europe	249	212	468	397	Higher profit margin
Japan Life	95	115	197	217	Lower profit margin and negative currency impacts
Banking	113	47	226	96	Higher interest result
Other	-47	-95	-117	-189	Reflecting a strong operating result of the reinsurance business
Operating result excl. AM	**1,128**	**1,226**	**2,528**	**2,350**	

- Net result of EUR 586m, up from EUR -107m in 2H22 despite the final settlement with interest groups on unit-linked insurance products, driven by higher non-operating items reflecting positive revaluations while previous period was impacted by negative revaluations

Holdco cash capital of EUR 1.0bn

Movement in holding company cash capital (EURm)



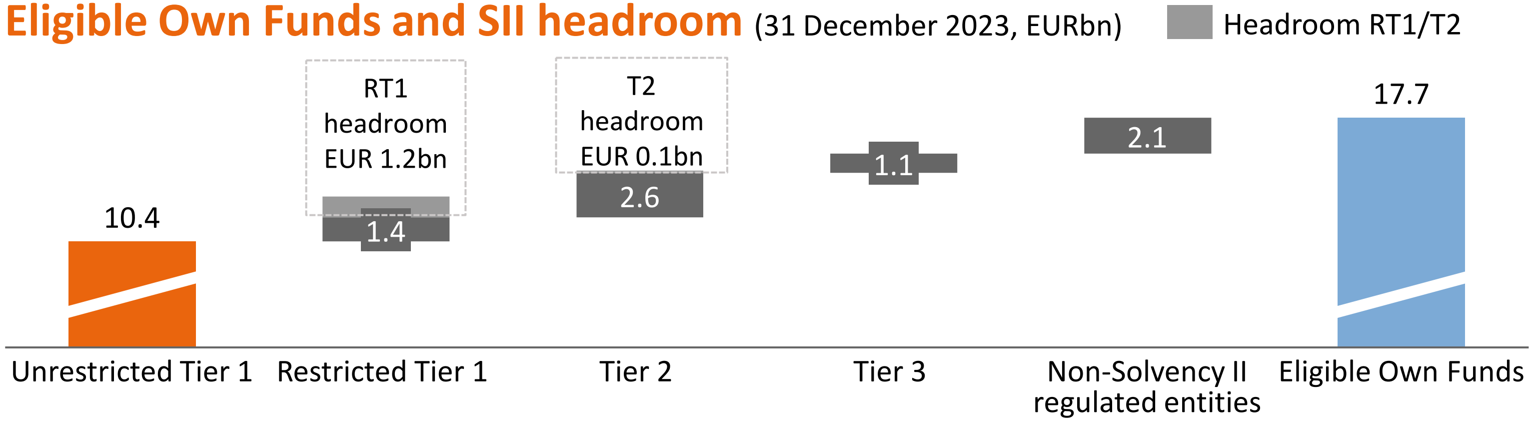
- FY23 adjusted free cash flow of EUR 1,410m driven by remittances from subsidiaries
- Change in debt and loans reflects the repayment of EUR 500m senior notes that matured in January 2023
- Liability management transactions executed to proactively address part of subordinated notes due for refinancing 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. Free Cash Flow (FCF) is adjusted for the EUR 1bn capital injection into NN Life and EUR 60m capital injection into NN Spain in 2H23, as well as the non-recurring dividend for Belgium following the sale of a closed book life portfolio in 1H23
2. Other includes interest on subordinated loans and debt, holding company expenses and other cash flows

NN

Strong balance sheet and financial flexibility

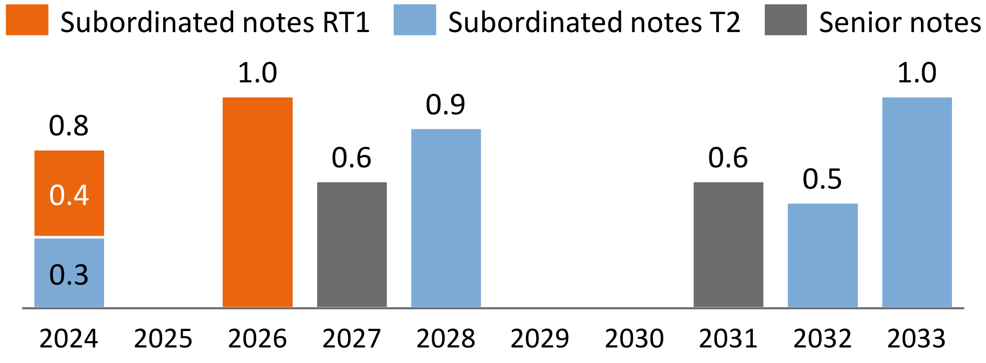
Eligible Own Funds and SII headroom (31 December 2023, EURbn)



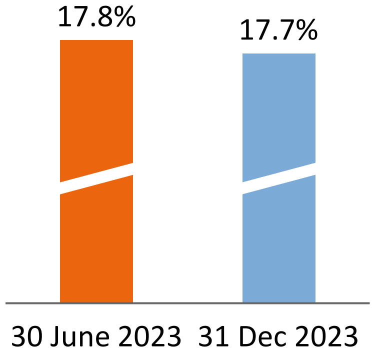
Credit ratings

Financial Strength Rating	31 Dec 2023	31 Dec 2022
Standard & Poor's	A+ Stable	A Positive
Fitch	AA-[1] Stable	AA- Stable

Debt maturity profile (EURbn)

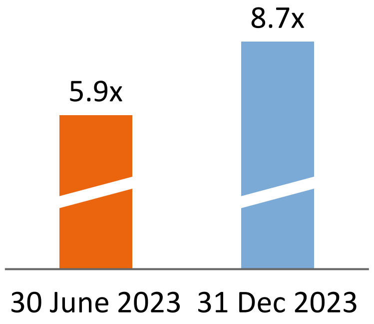


Financial leverage (IFRS based)



Fixed-cost coverage ratio

(IFRS, multiple)



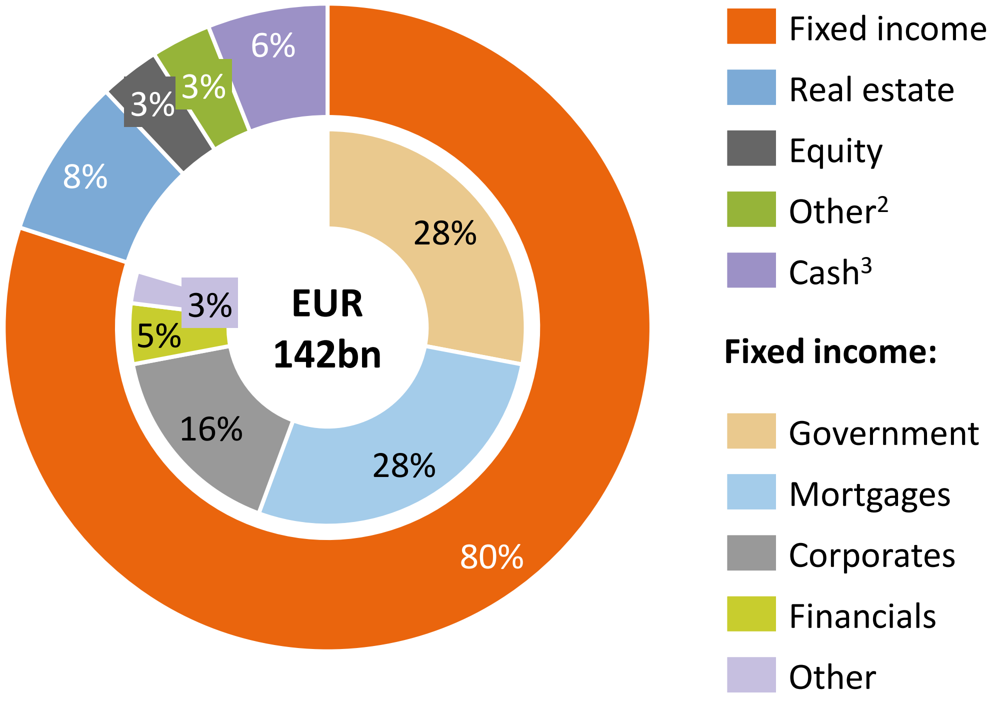
1. Financial Strength Rating for Nationale-Nederlanden Levensverzekeringen Maatschappij N.V.

NN

High-quality investment portfolio

Investment portfolio (NN Group excluding banking)[1]

(31 December 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]
  - ~75%[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 31 December 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; 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

Investment portfolio

Investment portfolio (NN Group excl banking)[1] (EURbn)	31 Dec 2023	31 Dec 2022	*Change*	% of total
Fixed income (excl. mortgages[2])	73.8	76.7	-2.9	52%
Mortgages[2]	39.3	40.2	-0.9	28%
Real Estate	12.0	12.9	-0.9	8%
Equity	3.7	3.8	-0.2	3%
Other[3]	4.8	4.0	0.8	3%
Cash[4]	8.6	7.1	1.5	6%
Total general account assets	**142.2**	**144.8**	**-2.5**	**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, largely offset by higher equity markets
- Mutual funds increased, mainly reflecting new investments in EMD, high-yield and equity mutual funds

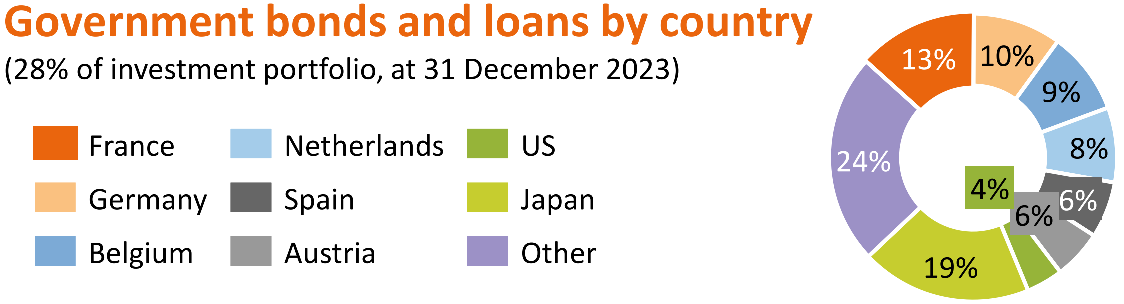
1. Market value, excluding separate account assets; NN Group excluding NN Bank
2. Dutch residential mortgages
3. Includes fixed income and (infrastructure) equity mutual funds; excludes money market mutual funds
4. Cash includes money market mutual funds

Details of fixed income portfolio

Fixed income[1] (EURm)	31 Dec 2023	31 Dec 2022	*Change*	% of total
Government[2]	39.8	42.0	-2.2	28%
Corporates[2]	23.3	23.1	0.2	16%
Financials[2]	7.0	7.4	-0.4	5%
ABS	2.6	3.2	-0.6	2%
Other loans	1.1	1.0	0.0	1%
Total	**73.8**	**76.7**	**-2.9**	**52%**

Government bonds and loans by country

(28% of investment portfolio, at 31 December 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

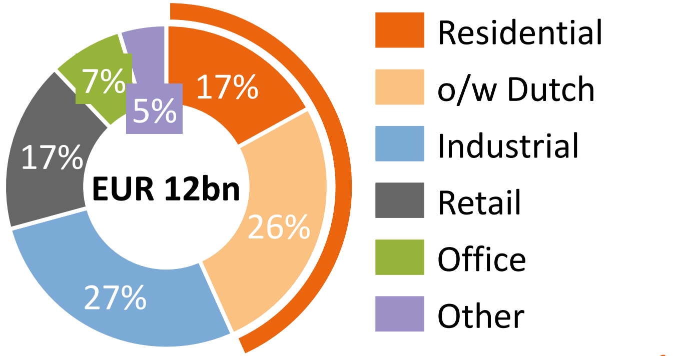
1. Excluding mortgages; Market value, excluding separate account assets; NN Group excluding NN Bank
2. Bonds and loans

NN

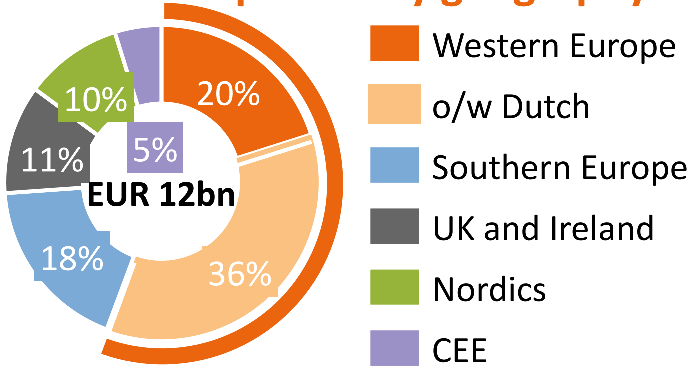
Well-diversified and high-quality real estate portfolio

Real estate exposure by segment[1]

(8% of investment portfolio, 31 December 2023)

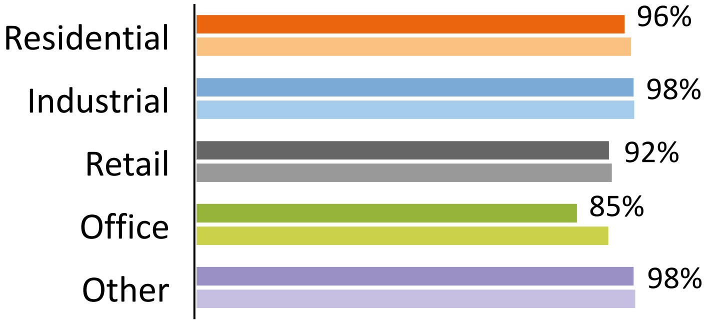


Real estate exposure by geography[1]



Occupancy rate by segment

(31 December 2023 upper line versus 31 Dec 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
- Office occupancy rate decreased to 85% in 2023, reflecting a new building in the portfolio on prime location; we expect recovery to previous levels
- Portfolio has a core profile and strong occupancy rate >95%
- 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

Well-collateralised Dutch mortgage portfolio

Mortgages[1] (EURbn)	**31 Dec 2023**	**31 Dec 2022**	***Change***	**% of total**
NHG and other guaranteed[2]	9.6	10.1	-0.5	25%
LTV ≤ 80%	25.4	26.8	-1.5	66%
LTV 80%-90%	2.1	1.6	0.5	5%
LTV 90%-100%	0.9	0.6	0.3	2%
LTV > 100%	0.3	0.1	0.2	1%
Subtotal	**38.3**	39.3	**-1.0**	**100%**
Other mortgage funds	1.0	0.9	0.1	
Total	**39.3**	**40.2**	**-0.9**	

Risk measures[1,3]		
Net loan to indexed MV	55%	53%
% Non-performing loans[4]	0.3%	0.3%

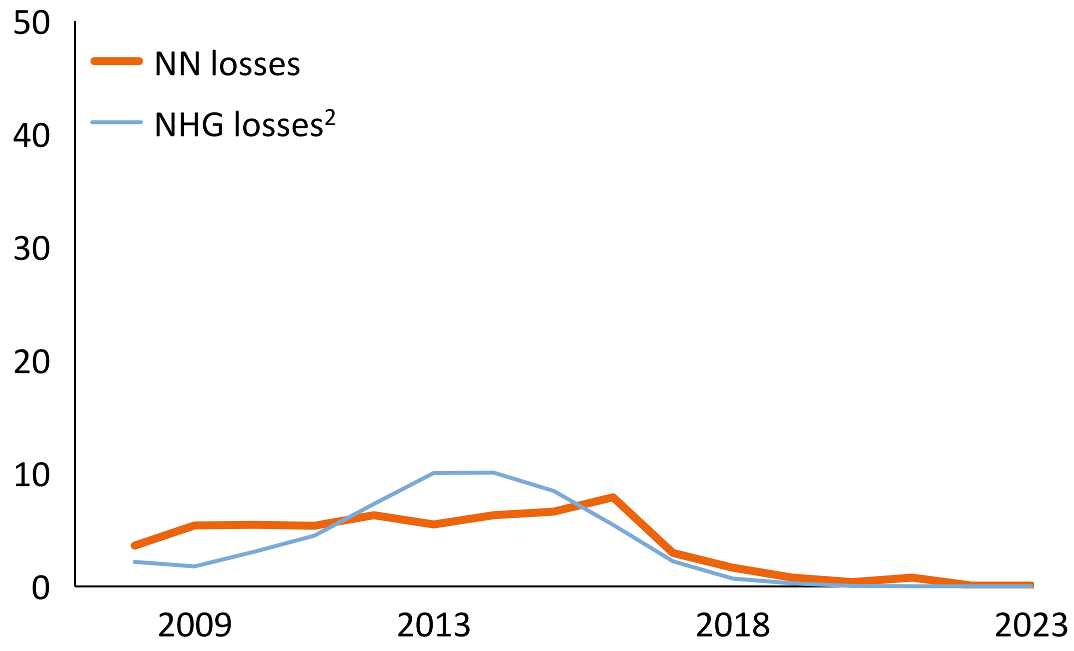
- ~25% guaranteed, mainly by the Dutch state (NHG[2])
- Very comfortable average loan to value of 55%, with the vast majority reflecting LTV <80%
- ~75%[1,3] of the portfolio has a fixed rate period >10 years
- Disciplined underwriting criteria
- Mortgage exposure of EUR 39bn in the insurance entities and another EUR 23bn in the banking business at 31 December 2023
- Mortgages[1] valued at market rates and reflecting pre-payment behaviour
- Majority of mortgages originated by NN Bank; total origination of EUR 4.7bn in 2023
- Woonnu, a label of NN Bank, focuses on sustainable living

1. Excludes banking 2.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 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);

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

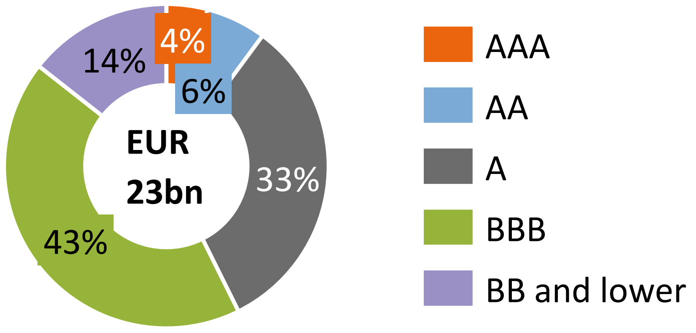
1. Losses remaining after recovery measures; mortgages on the NN Group balance sheet
2. Mortgage losses are taken from the NHG annual reports for relevant years

NN

Details of corporate bond and equity portfolio

Corporate bonds and loans by rating

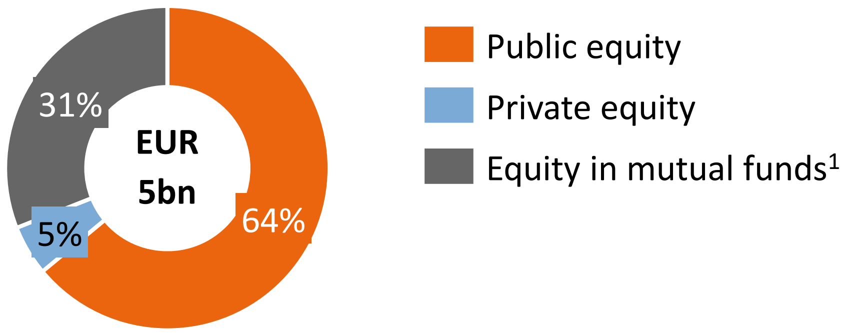
(16% of investment portfolio, at 31 December 2023)



- 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 31 December 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

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 1.9bn

Netherlands Life **EUR 1.15bn**	**Netherlands Non-life** **EUR 325m**
Insurance Europe **EUR 450m**	**Japan Life** **EUR 125m**
Banking **EUR 80m**	**Other[2]** **EUR -300m**

1. Based on normal weather and normalised mortgage margins, otherwise financial markets on 1 January 2024
2. Other includes holding expenses, debt costs and contribution of NN Re

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
- 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)

NN

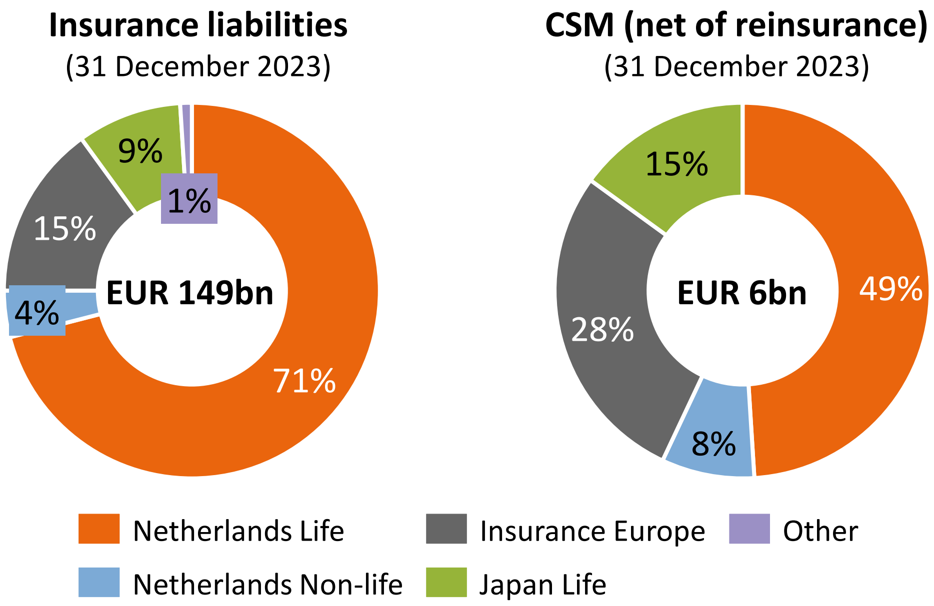
IFRS 9/17 - Operating result and CSM

Operating result

- Operating results were higher than the operating result on the basis of IAS39/IFRS 4 in 2022:
  - 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 CSM, net (31 Dec 2022)	**6,467**	**3,227**	**356**	**1,698**	**1,178**	**7**
New business added	695	101	147	317	128	2
Underlying return on in-force	124	-30	6	144	3	0
CSM release	-720	-193	-50	-319	-158	-1
Organic CSM movement	**99**	**-123**	**104**	**142**	**-26**	**2**
Organic CSM growth[1] (%)	***2%***	***-4%***	***29%***	***8%***	***-2%***	***25%***
Other movements	-123	78	35	-34	-197	-4
Closing balance (31 Dec 2023)	**6,443**	**3,182**	**495**	**1,806**	**955**	**5**

- Organic CSM growth of 1.5%:
  - Organic growth in new and in-force business more than compensating for CSM release
  - Subdued CSM growth expected until recovery of NB from Japan life
  - Non-life disability business recognized in 1H23 and written against temporarily elevated margin
- Other business units expected to offset Netherlands Life's net release of CSM, driven by:
  - New business in insurance Europe
  - Japan Life, despite VNB >50% down YoY still close to break-even on organic CSM over FY23

1. Organic growth of CSM is defined as the sum of new business added and the underlying return on in-force, minus the release of the CSM to P&L

NN

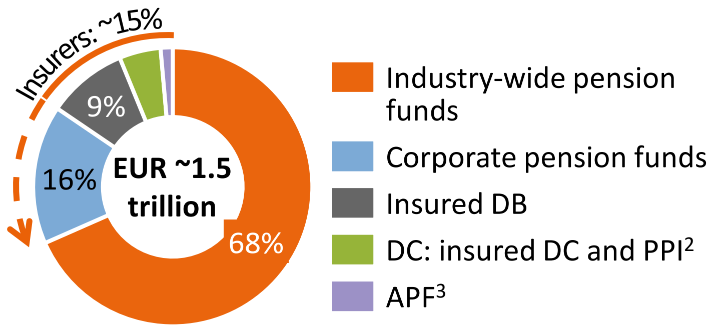
Pillar 2 pension reform in the Netherlands provides opportunities for buyouts and coming service

New pension law effective

- All pension plans become DC schemes with life cycle investing
- Changing pension landscape offers opportunities for coming service as well as buyouts
- NN offers a unique and broad range of pension solutions to tailor the market:
  - Insured DB
  - Insured DC
  - PPI
  - APF
  - Pension fund administration services
- New government in the Netherlands could lead to some changes to pension law, but principles expected to remain intact

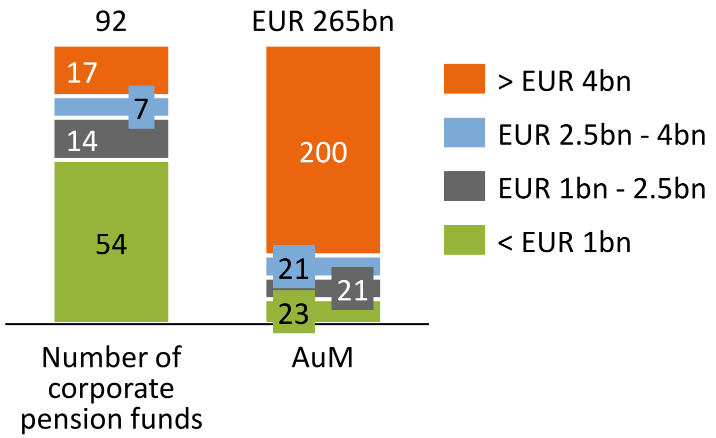
Potential doubling of market for future defined contribution accruals

(AuM[1])



- Corporate pension funds are expected to converge more with insurers' market, creating a level playing field with insurers
- Mandatory participation for industry-wide pension funds remains

Reduction in number of corporate pension funds expected[1]



- Solid track record of buyout transactions whilst maintaining financial discipline
  - Disciplined on capital deployment: target IRR at double-digit
- EUR ~25bn expected to come to the market

1. Source: DNB (2023) and internal estimates
2. Premium pension institution (Premie Pensioen Instelling)
3. General pension fund (Algemeen Pensioen Fonds)

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. 30 June 2023 Condensed consolidated interim financial information.

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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