

# Strong OCG and resilient commercial performance for second-half and full-year 2022

Solid business performance driving strong operating capital generation and attractive returns to shareholders

- Operating capital generation (OCG) increased to EUR 812 million from EUR 804 million in the second half of 2021 despite the sale of the Asset Management business (NN IP), reflecting a higher contribution from Netherlands Life and Insurance Europe; Full-year 2022 OCG up 8.0% to EUR 1,711 million
- NN Group Solvency II ratio of 197% versus 196% at 30 June 2022, reflecting strong OCG and asset and liability management transactions, partly offset by market impacts and deduction of the proposed 2022 final dividend
- Proposed 2022 final dividend of EUR 1.79 per ordinary share, bringing total 2022 dividend to EUR 2.79 per ordinary share, up 12% on 2021
- New share buyback programme for an amount of EUR 250 million
- Operating result of EUR 760 million versus EUR 917 million in the second half of 2021, largely due to the sale of NN IP; Full-year 2022 operating result of EUR 1,743 million compared with EUR 2,036 million in 2021
- Net result of EUR -444 million versus EUR 1,864 million in the second half of 2021, reflecting negative real estate
  revaluations and impairments on equity securities, while the comparative period included gains on the sale of
  public equities and government bonds as well as positive real estate revaluations; Full-year 2022 net result of
  EUR 1,562 million versus EUR 3,278 million in 2021

### Resilient commercial performance

- Value of new business (VNB) of EUR 177 million versus EUR 186 million in the second half of 2021, mainly reflecting lower VNB at Insurance Europe as a result of the negative impact of discounting at higher interest rates; Full-year 2022 VNB up 0.7% to EUR 431 million
- Strong net inflows of EUR 2.0 billion in Defined Contribution pension business in 2022
- NN Bank and Woonnu originated EUR 8.7 billion of new mortgages in 2022, maintaining a stable market share

### Strong focus on customers, employees and society

- 8 of our 11 Dutch and International businesses score on or above market average Net Promoter Score (NPS-r)
- Employee engagement increased to 7.9 from 7.7 in June 2022
- Percentage of women in senior positions increased to 40% from 39% in June 2022
- Total investments of around EUR 3 billion as part of target EUR 6 billion additional investments in climate solutions
- Climate Action Plan published, setting out a clear roadmap to reduce greenhouse gas emissions to net-zero
- 229,000 people reached via NN programmes to support their financial, physical and/or mental well-being

## Statement of David Knibbe, CEO

'Despite the challenging economic and geopolitical environment, we see good progress on the execution of our strategy, and we are pleased to report a resilient commercial performance for the second-half and full-year 2022.

With the full-year operating capital generation of more than EUR 1.7 billion, we have exceeded our 2023 target of EUR 1.5 billion. This result reflects the impact of higher interest rates and a strong business performance of Netherlands Life and Insurance Europe and was despite the sale of our asset management business NN IP. Our balance sheet remains strong, with a Solvency II ratio of 197% at year-end 2022, giving us ample financial flexibility and allowing us to continue to deliver solid capital returns to shareholders.

At Netherlands Life, we attracted net inflows in the Defined Contribution pension business of EUR 1.1 billion in the second half of the year. Netherlands Non-life reported a strong combined ratio of 95.4% reflecting improved D&A results partly offset by lower P&C results. And despite the slowing down of the Dutch housing market, NN Bank maintained its market share and originated in total EUR 3.8 billion of new mortgages during the second half of the year.



While we may see some short-term pressure on sales in Europe due higher prices and lower disposable incomes, we expect the structural demand for protection products to result in sales growth over time. In the second half of the year, the MetLife businesses that we acquired in Poland and Greece, delivered a positive contribution to the operating capital generation, sales, and value of new business of Insurance Europe.

We continue to focus on executing our strategy, which is centered around customer engagement, our talented people, and our contribution to society. We measure customer satisfaction based on Net Promoter Scores (NPS). Based on the latest scores, 8 of our 11 business units scored an at or above market average NPS. We have the strong ambition to further improve the customer experience we offer and enhance our scores. Within NN Life, the pension intermediary satisfaction increased from 7.6 in 2021 to 7.8 in 2022, ranking first in the Dutch market.

Especially in today's competitive labour market, we are pleased with the high levels of engagement of our people, represented in an increased employee engagement score of 7.9. Our efforts in the area of reporting transparently on gender equality has again resulted in an inclusion in the Bloomberg Gender Equality Index. In 2022, for the first time, the number of women in senior management positions has increased to 40%.

In December, we published our first Climate Action Plan, which sets out a clear roadmap to reduce greenhouse gas emissions to net-zero in our own operations by 2040, as well as in our investments and insurance underwriting by 2050. Together with other insurers, we launched a target setting protocol to set science-based targets to transition our underwriting portfolios to net-zero. We are pleased to be included in the Dow Jones Sustainability Indices for the sixth year in a row.

In November 2022, we announced new strategic and financial targets for 2025, reaffirming our commitment to create long-term value for all our stakeholders. We aim to deliver EUR 1.8 billion of OCG by 2025 and a mid single-digit growth of OCG and free cash flow in the long term. We have announced today a proposed final dividend of EUR 1.79 per share, bringing the total dividend for 2022 to EUR 2.79 per share, an increase of 12% on 2021. In line with our capital return policy, we have also announced a new share buyback programme for an amount of EUR 250 million.'

### NN Group key figures

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Operating capital generation <sup>1)</sup>	812	804	1.1%	1,711	1,584	8.0%
Value of new business	177	186	-4.8%	431	428	0.7%
Operating result <sup>2)</sup>	760	917	-17.1%	1,743	2,036	-14.4%
Net result	-444	1,864		1,562	3,278	-52.3%
	31 Dec 22	30 Jun 22	31 Dec 21			
Solvency II ratio <sup>3)</sup>	197%	196%	213%			
	31 Dec 22	30 Jun 22	31 Dec 21			
Strategic key figures						
Insurance businesses scoring above market average NPS <sup>4)</sup>						
Market average NPS International businesses	on par	n.a.	n.a.			
Market average NPS Netherlands businesses	on par	n.a.	n.a.			
Employee engagement <sup>5)</sup>	7.9	7.7	7.7			
Women in senior management positions <sup>6)</sup>	40%	39%	34%			
Double investments in climate solutions by 2030 (EUR billion) <sup>7)</sup>	3	n.a.	n.a.			
Contribution to our communities (number of people reached) <sup>8)</sup>	229,000	n.a.	n.a.			

Note: All footnotes are included on page 29

## **Delivering on our strategic commitments**

Our purpose statement reflects the kind of company we aspire to be: we help people care for what matters most to them. It's our ambition is to be an industry leader, known for our customer engagement, talented people, and contribution to society. To realise our ambition, we identified five strategic commitments, with all parts of our business contributing.



### Customers and distribution - Improving the experience of our customers and intermediaries across our markets

In November 2022, NN Bank became the online direct distributor of our Non-life products in the Netherlands. This proposition further strengthens the relationships of Nationale-Nederlanden with its customers, while also creating synergies through integrated marketing, customer service and IT-related activities.

NN Life Japan launched an Artificial Intelligence and Optical Character Recognition functionality to support its sales support system. This new functionality enables hardcopy documents, such as policy contracts and status reports, to be automatically read and converted into a digital format, enabling NN agents to centrally manage insurance policies of corporate customers and increase their efficiency.

Nationale-Nederlanden Poland launched a new digital platform for customers which provides an overview of their products, insurance coverages and investments. The platform enables them to manage their products themselves, supported by a clear layout and simple language.

In terms of customer satisfaction, 8 of our 11 combined International business units as well as our Dutch businesses scored above market average at the end of 2022. We are stepping up our efforts to effectively steer and steady our NPS-r scores towards achieving our 2025 target of International and Dutch business units scoring all above market average on NPS-r.

The focus of Nationale-Nederlanden on digitalisation and improvements in our services and communication towards intermediaries is reflected in increased intermediaries satisfaction scores in the Netherlands. Our Dutch Life business ranked first regarding intermediary satisfaction in the pension market, as evaluated by independent research. It also ranked first regarding intermediary satisfaction in the market of term life insurance. In addition, intermediary satisfaction of the Dutch Non-life business increased significantly and is above market average.

#### Products and services – Supporting customer needs for protection and health

In the second half of 2022, we continued our efforts to meet the increased demand for long-term health and protection products. For example, Nationale-Nederlanden Spain partnered with Sanitas, a private health insurance provider, and launched a new protection solution for people over 55 years old. The product offers health services such as physical and telephone consultation with specialists and preventative exams, and combines these services with accident protection covers as well as medical help at home.

In view of recent changes in the Belgian pension system for the self-employed, NN Life Belgium launched a new pension solution for the fourth pension pillar of savings without tax benefits. This product meets the pension needs of the self-employed with investment funds and additional coverages and compensates for them losing part of the benefits from the second pillar professional pension.

In the Netherlands, we took further steps to improve the digital customer experience with an advanced chat platform. Customers that visit our Dutch websites (nn.nl and mijn.nn.nl) can get acquainted with 'Sanne', a digital assistant developed using Artificial Intelligence technology. It allows customers to ask questions on a 24/7 basis and download documents. In 2022, we helped more than 240,000 customers through the digital assistant, while we expect to further expand its use with new functionalities.

Our Netherlands Life business continued to roll out the Human Capital Planner platform, which enables advisors and employers to have fact-based conversations with employees about their pension plans. NN's Zorggenoot service, which offers support in finding, arranging and financing informal care for elderly loved ones - a pressing issue for the 5 million informal caregivers in the Netherlands - is now offered as a complementary service via the Human Capital Planner.

As part of our ambition to support the transition to a sustainable society, our Dutch Non-life business started a pilot with 65 recycling Dutch companies to investigate how this sector can be better insured, recognising their difficulties to take out insurance due to factors such as a high fire hazard risk or remote location. The pilot was successfully completed and certain recycling risks are now part of the regular underwriting mandate in our fire insurance product. In addition, we added extra coverage on our environmental hazard insurance for cleaning up damaged solar panel particles scattered by fire or storm and are currently investigating the opportunities to insure new technologies such as light electric vehicles, wooden housing and energy capture and storage systems.

### People and organisation - New initiatives offering a diverse and inclusive workplace

We nurture a culture aimed at empowering our colleagues to be their best. We strengthened our efforts towards becoming a more diverse and inclusive (D&I) workplace. In the Netherlands, we launched the NN Cultural Diversity



Network aimed at encouraging cultural diversity and diversity of thought. NN Hungary was awarded the Family Friendly workplace certificate, partially due to its inclusive parental leave policy. NN Turkey extended maternity leave to 24 weeks, from the legal requirement of 16 weeks, and paternity leave to 3 weeks from 1 week. NN Czech Republic signed the Czech Diversity and Inclusion charter.

As part of our efforts to support a healthy work-life balance and flexible working conditions for our employees, NN Slovakia received an HR Inspiration award by the largest HR professional association in the country for introducing its four-day working scheme.

On the semi-annual survey carried out in the second half of 2022, NN colleagues' engagement increased to 7.9 (from 7.7 in the first half of the year). The results show colleagues feel empowered to choose how they carry out their work, they feel connected to NN's values and experience room for professional growth. Process efficiency continues to be an improvement area, and colleagues indicate to experience slow, but steady, improvement.

#### Financial strength - Maintaining a strong balance sheet

We aim to maintain a strong balance sheet and generate attractive financial returns for shareholders. Despite the ongoing turbulence in financial markets and uncertain macroeconomic environment, our operating capital generation was EUR 812 million in the second half of 2022 and increased by 8% to EUR 1.7 billion for the full year. Our Solvency II ratio at year-end 2022 was 197%, our cash capital position EUR 2.1 billion, and with a leverage ratio of 22.9%, we continue having ample financial flexibility.

In August 2022, NN Group raised EUR 500 million through the issuance of subordinated notes in what was the first issuance under NN Group's Sustainability Bond Framework, which was established in February 2022 to finance green and social projects.

### Society - Initiatives supporting the financial, physical and mental well-being of people in our communities

In December 2022, NN Group launched the NN Social Innovation Fund which, with an initial EUR 5 million investment, aimed at supporting early-stage social enterprises focused on increasing financial, physical and/or mental well-being.

BeFrank organised an awareness campaign encouraging young people to choose their investment risk though the company's Profile Determiner – a tool that helps people determine what risk suits them. The campaign included direct mailings, a website and social media presence and reached more than 2,400 young people.

Nationale-Nederlanden Poland partnered with the Rak'n'Roll Foundation for a social campaign aimed at encouraging illness prevention. As part of this initiative, Nationale-Nederlanden Poland established a 'Day for U' for its employees, giving them an additional day off to undertake prevention exams. NN Romania partnered with the 'Autism Voice' NGO for the launch of the Autism Voice Institute, the first multifunctional therapy and research centre in Romania aimed at supporting autism patients.

NN Group's total contributions to its communities reached EUR 12.8 million in 2022, including more than 30,900 hours of volunteering, more than EUR 9.7 million in cash donations and supporting around 229,000 people.

For the fourth consecutive year, NN Group is top scorer of the Dutch Tax Transparency Benchmark published by the Dutch Association of Investors for Sustainable Development (VBDO).

For the sixth consecutive year NN Group was included in Dow Jones Sustainability Indices (DJSI World) meaning that NN Group ranks amongst the top 10% of the insurance sector globally, with regard to its sustainability performance. Scores are given on economic & governance, environmental and social dimensions. Overall NN scored 80 (out of 100), compared to the average industry score of 33.



## **Consolidated results**

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Operating capital generation <sup>1)</sup>						
Netherlands Life	561	451	24.5%	1,142	846	35.0%
Netherlands Non-life	136	163	-16.4%	280	325	-13.6%
Insurance Europe	190	137	39.3%	388	318	22.1%
Japan Life	41	72	-43.3%	115	129	-11.0%
Banking	24	49	-51.5%	35	104	-66.3%
Other	-140	-136		-280	-272	
Operating capital generation - excluding Asset Management	812	736	10.4%	1,681	1,449	16.0%
Asset Management <sup>23)</sup>	0	68		31	135	-77.3%
Operating capital generation	812	804	1.1%	1,711	1,584	8.0%
In EUR million	2H22	2H21	Change	FY22	FY21	Change
Analysis of results			<u> </u>			<u> </u>
Netherlands Life	447	466	-4.1%	999	986	1.3%
Netherlands Non-life	127	125	1.7%	255	314	-19.0%
Insurance Europe	134	154	-13.0%	310	315	-1.6%
Japan Life	88	107	-17.7%	218	263	-17.1%
Banking	49	55	-11.5%	97	134	-27.7%
Other	-85	-81	11.570	-172	-157	27.770
Operating result - excluding Asset Management	760	826	-8.0%	1,706	1,855	-8.0%
Asset Management <sup>23)</sup>	0	91	0.075	38	181	-79.1%
Operating result	760	917	-17.1%	1,743	2,036	-14.4%
Non-operating items	-1,271	1,332	27,1275	-993	2,051	2/0
of which gains/losses and impairments	-579	986		-312	1,671	
of which revaluations	-804	445		-1,260	485	
of which market and other impacts	113	-99		578	-105	
Special items	-77	-56		-136	-103	
Acquisition intangibles and goodwill	-15	-18		-30	-28	
Result on divestments	15	54	-72.4%	1,077	54	
Result before tax	-587	2,230		1,661	4,010	-58.6%
Taxation	-139	357		95	712	-86.7%
Minority interests	-3	9		4	19	-80.6%
Net result	-444	1,864		1,562	3,278	-52.3%
Basic earnings per ordinary share in EUR <sup>9)</sup>	-1.64	5.96		5.09	10.42	-51.2%
Key figures						
Gross premium income	6,006	6,242	-3.8%	13,641	14,312	-4.7%
New sales life insurance (APE)	523	568	-7.8%	1,334	1,311	1.8%
Value of new business	177	186	-4.8%	431	428	0.7%
Total administrative expenses	1,142	1,201	-5.0%	2,210	2,280	-3.1%
Combined ratio (Netherlands Non-life) <sup>10)</sup>	95.4%	95.1%		95.8%	93.5%	
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures	31 500 22	30 3411 22	change	31 000 22	31 000 21	change
Asset Management Assets under Management <sup>29)</sup>	0	0		0	301	
Life general account invested assets	137	140	-2.0%	137	144	-4.8%
Total provisions for insurance and investment contracts	156	160	-2.3%	156	169	-7.4%
of which for risk policyholder	35	35	-0.2%	35	39	-11.3%
Solvency II ratio <sup>3)</sup>	197%	196%	-0.2/0	197%	213%	11.5/0
NN Life Solvency II ratio <sup>3)</sup>	191%	187%		191%	219%	
CET1 ratio <sup>11)</sup>	15.3%	14.6%		15.3%	17.4%	
Total assets	217	226	-3.8%	217	252	-13.7%
Employees (internal FTEs, end of period)	15,258	14,599	4.5%	15,258	15,158	0.7%
Employees (internal Fres, end of period)	13,230	17,555	7.5/0	13,230	13,130	0.770



- NN Group's operating capital generation (OCG) increased from EUR 804 million in the second half of 2021 to EUR 812 million despite the sale of NN IP, reflecting a higher contribution from Netherlands Life and Insurance Europe
- Operating result decreased to EUR 760 million from EUR 917 million in the second half of 2021, mainly related to the sale of NN IP as well as lower operating results at Insurance Europe, Netherlands Life and Japan Life
- Value of new business was EUR 177 million for the second half of 2022 versus EUR 186 million in the second half
  of 2021, mainly reflecting lower value of new business at Insurance Europe as a result of the negative impact of
  discounting at higher interest rates
- Full-year 2022 OCG increased by 8% to EUR 1,711 million from EUR 1,584 million in 2021 despite EUR 104 million lower contribution from Asset Management due to the sale of NN IP, mainly reflecting a higher contribution from Netherlands Life and Insurance Europe partly offset by a lower contribution from Banking, Netherlands Non-life and Japan Life
- Full-year 2022 operating result decreased to EUR 1,743 million from EUR 2,036 million in 2021, which included EUR 76 million of non-recurring benefits. The decrease was largely due to the sale of NN IP as well as lower operating results of Netherlands Non-life, Japan Life and Banking
- Value of new business for full-year 2022 was up 0.7% to EUR 431 million compared with 2021, mainly driven by higher value of new business at Netherlands Life, partly offset by lower value of new business in Insurance Europe

### Operating capital generation

NN Group's OCG increased to EUR 812 million from EUR 804 million in the second half of 2021 despite the sale of NN IP which contributed EUR 68 million of OCG in the second half of 2021. This increase was driven by a higher contribution from Netherlands Life reflecting a lower UFR drag as a result of higher interest rates, as well as a higher OCG at Insurance Europe, partly offset by a lower contribution from Japan Life, Netherlands Non-life and Banking.

The operating capital generation of Netherlands Life increased to EUR 561 million from EUR 451 million in the second half of 2021. This is mainly driven by the lower net negative impact of the UFR drag and risk margin release as a result of higher interest rates.

The operating capital generation of Netherlands Non-life decreased to EUR 136 million from EUR 163 million in the second half of 2021. The second half of 2021 included a positive impact from Covid-19 on the P&C lines, which was only partly offset by the impact of the floods in the Netherlands and Belgium in July 2021. The underlying portfolio performance is strong in the second half of 2022, however results are impacted by an increase in capital requirements following a hardening of the reinsurance market as well as additional provisioning for the potential impact of higher inflation and for bodily injury claims. This was partly offset by a higher new business contribution reflecting higher margins and increased interest rates, a favourable claims experience in the Fire portfolio as well as a higher investment return following the increase in interest rates.

Operating capital generation of Insurance Europe increased to EUR 190 million from EUR 137 million in the second half of 2021. The increase reflects a positive contribution from the acquired MetLife businesses in Greece and Poland as well as a higher investment return following higher interest rates, partly offset by lower pension fees across the region, whereas the same period last year was negatively impacted by a non-recurring item in Greece.

Operating capital generation of Japan Life decreased to EUR 41 million from EUR 72 million in the second half of 2021, mainly due to the impact of a reinsurance transaction, higher hedge costs as well as lower mortality results and currency impacts. This was partly offset by a lower new business strain as a result of lower sales.

The operating capital generation of Banking decreased to EUR 24 million from EUR 49 million in the second half of 2021, mainly reflecting a lower statutory net result partly offset by a lower risk-weighted assets (RWA) increase. The lower statutory net result mainly reflects lower commission income. The lower increase in RWA reflects the origination of a higher proportion of state-guaranteed mortgages (NHG), partly offset by further mortgage portfolio growth.

Operating capital generation of the segment Other was EUR -140 million compared with EUR -136 million in the first half of 2021, reflecting a lower operating capital generation of the reinsurance business due to a hardening of the reinsurance market leading to a higher risk retention, partly offset by lower debt servicing expenses.

Full-year 2022 operating capital generation increased by 8% to EUR 1,711 million from EUR 1,584 million in 2021, despite the decrease of EUR 104 million in the OCG contribution from Asset Management following the sale of NN IP



in April 2022. The increase in OCG mainly reflected a higher contribution from Netherlands Life and Insurance Europe partly offset by a lower contribution from Banking, Netherlands Non-life and Japan Life.

### **Operating result**

The operating result decreased to EUR 760 million from EUR 917 million in the second half of 2021, mainly reflecting the sale of NN IP as well as lower operating results at Insurance Europe, Netherlands Life and Japan Life. The comparative period in 2021 included EUR 52 million of claims related to the floods in July 2021 and a net benefit of EUR 52 million from non-recurring items mainly relating to special dividends at Netherlands Life.

The operating result of Netherlands Life was EUR 447 million compared with EUR 466 million in the second half of 2021, reflecting a lower investment margin as the previous period included EUR 54 million of special dividends, as well as lower fees and premium-based revenues, partly offset by a higher technical margin.

The operating result of Netherlands Non-Life increased to EUR 127 million from EUR 125 million in the second half of 2021, reflecting an increased operating result at D&A partly offset by a lower operating result at P&C. The operating result in P&C decreased to EUR 98 million from EUR 122 million in the second half of 2021, which included a positive impact from Covid-19 on the P&C lines, only partly offset by the negative impact of the floods in the Netherlands and Belgium in July 2021. The decline was furthermore driven by additional provisioning for the potential impact of higher inflation and for bodily injury claims, partly offset by favourable claims development in the Fire portfolio. The operating result in D&A was EUR 26 million compared with EUR -3 million in the second half of 2021. The underwriting result in the Individual Disability portfolio was higher mainly reflecting a negative impact of Covid-19 in the second half of 2021. Lower underwriting results in the Group Income portfolio mainly reflect a negative impact from higher minimum wage inflation assumptions, partly compensated by assumption updates.

The operating result of Insurance Europe decreased to EUR 134 million from EUR 154 million in the second half of 2021, down 12.9% on a constant currency basis. This reflects a higher technical margin and investment margin as well as a positive contribution from the acquired MetLife businesses, more than offset by lower life and pension fees across the region and higher expenses and commissions.

The operating result of Japan Life decreased to EUR 88 million from EUR 107 million in the second half of 2021, mainly reflecting lower fees and premium-based revenues. Excluding currency effects, the operating result decreased by 10.7%.

Following the sale of NN IP in April 2022, the current period no longer includes the operating result of Asset Management. The operating result in the second half of 2021 was EUR 91 million.

The operating result of Banking decreased to EUR 49 million from EUR 55 million in the second half of 2021, mainly reflecting higher total expenses relating to compliance and investments in digitalisation. Operating income increased as lower commission income was more than offset by a higher net interest margin and investment income.

The operating result of the segment Other was EUR -85 million versus EUR -81 million in the second half of 2021, mainly reflecting lower other results, partly compensated by a higher operating result of the reinsurance business. The operating result of the reinsurance business increased to EUR 1 million from EUR -7 million in the second half of 2021 which included EUR 8 million of claims related to the floods in July 2021.

The full-year 2022 operating result decreased to EUR 1,743 million from EUR 2,036 million in 2021, which included a total of EUR 76 million of non-recurring benefits. The decrease mainly reflects the sale of NN IP, the lower operating result of Netherlands Non-life, Japan Life, Banking, Insurance Europe and the segment Other, partly compensated by higher operating results for Netherlands Life.

#### Result before tax

The result before tax decreased to EUR -587 million from EUR 2,230 million in the second half of 2021, primarily due to lower non-operating items.

Gains/losses and impairments decreased to EUR -579 million in the second half of 2022 from EUR 986 million in the same period in 2021 which benefited from capital gains on the sale of public equities and government bonds. The current half-year mainly reflects higher impairments on equity securities.

Revaluations amounted to EUR -804 million versus EUR 445 million in the second half of 2021 which benefited from positive revaluations on real estate. The second half of 2022 includes negative revaluations of EUR 500 million on real estate and EUR 403 million of negative revaluations of derivatives used for hedging purposes mainly reflecting



accounting asymmetries as there is no impact on the valuation of liabilities as these are accounted for at interest rates at inception.

Market and other impacts amounted to EUR 113 million compared with EUR -99 million in the second half of 2021. The second half of 2022 mainly reflects movements in the provision for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging) at Netherlands Life.

Special items amounted to EUR -77 million compared with EUR -56 million in the second half of 2021, mainly reflecting higher project expenses.

Acquisition intangibles and goodwill amounted to EUR -15 million versus EUR -18 million in the second half of 2021.

The result on divestments amounted to EUR 15 million compared with EUR 54 million in the second half of 2021, which reflected the divestment of the business in Bulgaria, while the second half of 2022 mainly reflects the result on the sale of a closed book life portfolio by NN Belgium.

The full-year 2022 result before tax decreased to EUR 1,661 million from EUR 4,010 million in 2021. The decrease mainly reflects lower gains/losses and impairments on public equity and government bonds, lower revaluations on derivatives and real estate. This was partly compensated by the gain on sale of NN IP (EUR 1,062 million) and higher markets and other impacts.

#### **Net result**

The net result in the second half of 2022 decreased to EUR -444 million from EUR 1,864 million in the second half of 2021. The effective tax rate (ETR) in the second half of 2022 was 23.8%.

The full-year 2022 net result was EUR 1,562 million compared with EUR 3,278 million in 2021. The effective tax rate for the full-year 2022 was 5.7%. Excluding the impact of the sale of NN IP the ETR for full-year 2022 was 15.9%, mainly due to tax-exempt dividends, capital gains and revaluations in the Netherlands.

#### Sales and value of new business

Total new sales (APE) were EUR 523 million versus EUR 568 million in the second half of 2021. New sales at Netherlands Life were EUR 63 million compared with EUR 70 million in the second half of 2021, mainly due to a lower volume of group pension contracts. At Japan Life, new sales were EUR 114 million, down 17.9% from the second half of 2021, excluding currency effects, mainly due to lower sales of cash value insurance products. New sales at Insurance Europe were EUR 346 million, up 3.2% on a constant currency basis, mainly reflecting the positive contribution from the acquired MetLife businesses as well as premium increases and upsell actions, partly offset by lower sales mostly in Belgium and Spain.

Value of new business was EUR 177 million versus EUR 186 million in the second half of 2021, mainly reflecting lower value of new business at Insurance Europe as a result of the negative impact of discounting at higher interest rates. Higher expenses in the region were offset by a positive contribution from the acquired MetLife businesses and an improved business mix. At Japan Life the value of new business was up 4.8% at constant currencies, reflecting continued growth in protection driven by an improved margin as a result of higher interest rates and management actions including repricing, partly offset by lower sales of cash value insurance products.

For full-year 2022, total new sales (APE) increased to EUR 1,334 million versus EUR 1,311 in 2021, mainly driven by the higher sales in Netherlands Life reflecting a higher volume of group pension contracts, including the renewal of several large contracts. This was partly offset by lower new sales at Japan Life, down 15.1% at constant currencies, due to lower sales of cash value insurance products, while sales at Insurance Europe were broadly stable on a constant currency basis.

Value of new business for full-year 2022 of EUR 431 million, up 0.7% on 2021, mainly driven by higher value of new business at Netherlands Life reflecting a higher volume of group pension contracts as well as a favourable impact from an increase in interest rates. Lower value of new business at Insurance Europe as a result of the negative impact of discounting at higher interest rates. The impact of model and assumption changes and higher expenses in the region were offset by a positive contribution from the acquired MetLife businesses and an improved business mix. At Japan Life the value of new business was broadly stable on a constant currency basis, reflecting continued growth in protection driven by an improved margin as a result of higher interest rates and management actions including repricing, offset by lower sales of cash value insurance products.



### Implementation of IFRS 9 and IFRS 17 in 2023

As of 1 January 2023, NN Group will implement IFRS 9 'Financial Instruments' and IFRS 17 'Insurance Contracts'.

IFRS 9 and IFRS 17 will be implemented as of 2023 retrospectively with amendment of the 2022 comparative figures. The implementation will result in significant changes to NN Group's accounting policies and may have significant impact on shareholders' equity, net result, presentation and disclosures. Shareholders' equity under IFRS 9 and IFRS 17 at the 1 January 2022 transition date was significantly lower as a result of the measurement of insurance liabilities at current assumptions. However, with the increase of market interest rates during 2022, the reported shareholders' equity under current IFRS decreased from EUR 32,888 million at 31 December 2021 to EUR 16,005 million at 31 December 2022, and, therefore, the difference with shareholders' equity under IFRS 9 and IFRS 17 largely reversed in 2022.

NN Group disclosed the key requirements of IFRS 9 and IFRS 17, the main decisions/choices in the implementation and the key financial impact at transition at the Investor Update on 17 November 2022. NN Group intends to include a more detailed quantitative disclosure on the impact of the transition to IFRS 9 and IFRS 17 in the NN Group 2022 Annual Accounts. NN Group will apply IFRS 9 and IFRS 17 for the first time in the results for the first half of 2023 and intends to publish restated comparative figures over 2022 on the basis of IFRS 9 and IFRS 17 in advance of this disclosure.



## **Capital Management**

- Solvency II ratio of NN Group increased to 197% from 196% at the end of the first half of 2022, mainly driven by
  operating capital generation and asset and liability management transactions, partly offset by adverse market
  impacts and the deduction of the proposed 2022 final dividend
- NN Group's operating capital generation increased to EUR 812 million from EUR 804 million in the second half of 2021, despite the sale of NN IP, and mainly reflecting a lower net negative impact of the UFR drag and the risk margin release as a result of higher interest rates
- Cash capital position at the holding decreased to EUR 2,081 million from EUR 2,467 million at the end of the first half of 2022, reflecting capital flows to shareholders, partly offset by remittances from subsidiaries
- Free cash flow to the holding in the second half of 2022 reflects EUR 793 million of remittances from subsidiaries, partly offset by intercompany loan to NN Life to refinance its external debt that matured in August 2022, as well as other holding company cash flows
- Ample financial flexibility given remaining tiering capacity
- 2022 final dividend proposal of EUR 1.79 per ordinary share, bringing the full-year 2022 dividend to EUR 2.79 per ordinary share, up 12% on 2021
- New share buyback programme for an amount of EUR 250 million

## Solvency II

In EUR million	31 Dec 22	30 Jun 22	31 Dec 21
Basic Own Funds	19,237	19,897	22,021
Non-available Own Funds	1,415	1,404	1,094
Non-eligible Own Funds	0	0	0
Eligible Own Funds (a)	17,822	18,493	20,927
of which Tier 1 Unrestricted	10,904	11,627	13,377
of which Tier 1 Restricted	1,716	1,788	1,875
of which Tier 2	2,189	2,287	2,422
of which Tier 3	910	973	848
of which non-solvency II regulated entities	2,104	1,818	2,404
Solvency Capital Requirements (b)	9,040	9,455	9,840
of which non-solvency II regulated entities	1,363	1,273	1,334
NN Group Solvency II ratio (a/b) <sup>3)</sup>	197%	196%	213%
NN Life Solvency II ratio <sup>3)</sup>	191%	187%	219%

The NN Group Solvency II ratio increased to 197% from 196% at the end of the first half of 2022. This is mainly driven by strong operating capital generation and asset and liability management transactions, partly offset by adverse market impacts and the deduction of the proposed 2022 final dividend. Market impacts mainly reflect movements in credit spreads and negative real estate revaluations, partly offset by changes in interest rates.

The NN Life Solvency II ratio increased to 191% from 187% at the end of the first half of 2022, mainly driven by operating capital generation and asset and liability management transactions, partly offset by the aforementioned adverse market impacts and the EUR 490 million dividend payments to the holding company.

NN Group has ample financial flexibility given its remaining tiering capacity of EUR 1.1 billion in Restricted Tier 1 and EUR 0.8 billion in Tier 2 and 3 capital.



## **Operating capital generation**

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Investment return	677	688	-1.7%	1,379	1,335	3.2%
Life - UFR drag	-132	-394		-450	-825	
Life - Risk margin release	129	196	-34.3%	294	400	-26.6%
Life - Experience variance	-36	-21		35	-18	
Life - New business	79	59	33.5%	180	138	31.1%
Non-life underwriting	122	125	-2.9%	217	254	-14.6%
Non-Solvency II entities (Japan Life, Banking, Other <sup>12</sup> )	102	178	-42.7%	263	345	-23.7%
Holding expenses and debt costs	-138	-143		-282	-283	
Change in SCR	10	48	-78.3%	45	103	-56.3%
Operating capital generation - excluding Asset Management	812	736	10.4%	1,681	1,449	16.0%
Asset Management <sup>23</sup>	0	68		31	135	-77.3%
Operating capital generation	812	804	1.1%	1,711	1,584	8.0%

Operating capital generation increased to EUR 812 million from EUR 804 million in the second half of 2021, despite the sale of NN IP which contributed EUR 68 million in the second half of 2021. The increase is mainly driven by the lower net negative impact of the UFR drag and the risk margin release as a result of higher interest rates, as well as a higher life new business contribution. This was partly offset by a lower contribution from Non-Solvency II entities reflecting a lower contribution from Japan Life and Banking. In addition, the current period reflects a lower SCR release due to a hardening of the reinsurance market.

Full-year 2022 operating capital generation increased to EUR 1,711 million from EUR 1,584 million in 2021, despite the sale of NN IP. The increase reflects the lower net negative impact of the UFR drag and the risk margin release as a result of higher interest rates as well as a higher experience variance, new business contribution and investment return. This was partly offset by a lower contribution from Non-Solvency II entities reflecting a lower contribution from Banking and Japan Life. In addition, the current period reflects a lower SCR release mainly due to a hardening of the reinsurance market and a lower non-life underwriting result.

## Cash capital position at the holding company

In EUR million	2H22	FY22
Beginning of period	2,467	1,998
Remittances from subsidiaries <sup>13)</sup>	793	1,753
Capital injections into subsidiaries <sup>14)</sup>	-540	-545
Other <sup>15)</sup>	-96	-315
Free cash flow to the holding <sup>16)</sup>	158	893
Cash divestment proceeds	0	1,626
Acquisitions	0	-524
Capital flows to shareholders	-1,038	-1,806
Increase / (decrease) in debt and loans	494	-106
End of period	2,081	2,081

Note: cash capital is defined as net current assets available at the holding company

The cash capital position at the holding company decreased to EUR 2,081 million from EUR 2,467 million at the end of the first half of 2022. The decrease mainly reflects EUR 1,038 million of capital flows to shareholders, partly offset by EUR 793 million of remittances from subsidiaries. NN Group issued EUR 500 million of subordinated notes on 30 August 2022 and used the proceeds of the issuance for providing an intercompany loan to NN Life for the repayment of its EUR 500 million external legacy Tier 2 debt that was redeemed on 29 August 2022. The intercompany loan is reflected in capital injections into subsidiaries. Adjusting for this intercompany loan, the free cash flow to the holding was EUR 658 million in the second half of 2022 and EUR 1,393 million for full-year 2022. Capital flows to shareholders comprise the 2022 interim cash dividend of EUR 162 million and the repurchase of EUR 876 million of own shares.

Remittances for full-year 2022 decreased to EUR 1,753 million from EUR 1,835 million in 2021. Excluding NN IP, remittances increased by EUR 28 million, largely driven by increased remittances from NN Life which included a non-



recurring dividend of EUR 124 million following the closing of the acquisition of ABN AMRO Life, as well as higher remittances from Non-life, partly offset by lower remittances from Japan Life and Banking.

## **Financial leverage**

In EUR million	31 Dec 22	30 Jun 22	31 Dec 21
Shareholders' equity	16,005	19,920	32,888
Adjustment for revaluation reserves <sup>17)</sup>	3,382	795	-11,730
Minority interests	63	216	266
Capital base for financial leverage (a)	19,450	20,930	21,424
Undated subordinated notes <sup>19)</sup>	1,764	1,764	1,764
Subordinated debt	2,334	2,343	2,356
Total subordinated debt	4,098	4,107	4,120
Debt securities issued	1,694	1,693	2,292
Financial leverage (b)	5,792	5,800	6,412
Financial leverage ratio (b/(a+b))	22.9%	21.7%	23.0%
Fixed-cost coverage ratio <sup>18)19)</sup>	7.6x	18.8x	19.9x

The financial leverage ratio of NN Group was 22.9% at the end of 2022 compared with 21.7% at the end of the first half of 2022. This reflects the decrease of the capital base for financial leverage mainly due to capital flows to shareholders and second half-year net result.

The fixed-cost coverage ratio was 7.6x at the end of 2022, in line with our ambition of a Single 'A' financial strength rating, versus 18.8x at the end of the first half of 2022 (on a last 12-months basis), driven by the decrease of earnings before interest and tax due to lower capital gains on the sale of public equities and government bonds, impairments on equities and negative real estate revaluations.

## Dividend and share buyback

At the annual general meeting on 2 June 2023, a final dividend will be proposed of EUR 1.79 per ordinary share, or approximately EUR 504 million in total based on the current number of outstanding shares (net of treasury shares). In addition NN Group announced a share buyback of EUR 250 million.

The proposed dividend and announced share buyback are in line with NN Group's capital framework consisting of three pillars; solvency, cash capital at holding and financial leverage. The solvency pillar includes a comfort zone between 150%-200% Group Solvency ratio where NN Group intends to pay a progressive dividend per share and execute an annual share buyback of up to EUR 250 million. In the case of a ratio sustainably above 200% Group Solvency, there is an opportunity to increase the share buyback further. The cash capital pillar refers to cash capital held at Holding to cover capital needs of the operating entities after a 1-in-20 year stress event and to fund holding costs. The financial leverage pillar aims to maintain the financial leverage and fixed-cost cover ratio consistent with a Single 'A' financial strength rating.

The final dividend will be paid either fully in cash, after deduction of withholding tax if applicable, or fully in ordinary shares, at the election of the shareholders. Dividends paid in the form of ordinary shares will be delivered from NN Group treasury shares or issued at the expense of the share premium reserve. To neutralise the dilutive effect of the stock dividend, NN Group will repurchase ordinary shares for an amount equivalent to the stock dividend. If the proposed dividend is adopted by the General Meeting, NN Group ordinary shares will be quoted ex-dividend on 6 June 2023. The record date for the dividend will be 7 June 2023. The election period will run from 8 June up to and including 22 June 2023. The stock fraction for the stock dividend will be based on the volume weighted average price of NN Group ordinary shares on Euronext Amsterdam for the five trading days from 16 June through 22 June 2023. The dividend will be payable on 29 June 2023. (For more information: <a href="https://www.nn-group.com/investors/share-information/dividend-policy-and-dividend-history.htm">https://www.nn-group.com/investors/share-information/dividend-policy-and-dividend-history.htm</a>)

On 7 September 2022, NN Group paid an interim dividend of EUR 1.00 per ordinary share, which was calculated in accordance with the NN Group dividend policy. The proposed 2022 final dividend of EUR 1.79 per ordinary share plus the 2022 interim dividend of EUR 1.00 per ordinary share gives a total dividend for 2022 of EUR 2.79 per ordinary share.



As announced today, NN Group will execute an open market share buyback programme for an amount of EUR 250 million. The programme will be executed within 12 months and is anticipated to commence on 1 March 2023. The share buyback will be deducted in full from Solvency II Own Funds in the first half of 2023 and is estimated to reduce NN Group's Solvency II ratio by approximately 3%-points. In addition to the share buyback programme announced today, NN Group intends to repurchase shares to neutralise the dilutive effect of any stock dividends. NN Group intends to cancel any repurchased NN Group shares under the programmes unless used to cover obligations under share-based remuneration arrangements or to deliver stock dividend.

The share buyback programmes will be executed within the limitations of the existing authority granted by the General Meeting on 19 May 2022 and such authority to be granted by the General Meeting on 2 June 2023. The shares will be repurchased at a price that does not exceed the last independent trade or the highest current independent bid on the relevant trading platform. The programmes will be executed by financial intermediaries and will be performed in compliance with the safe harbour provisions for share buybacks.

On 17 February 2022, NN Group announced an open market share buyback programme for an amount of EUR 250 million within 12 months, commencing on 1 March 2022. NN Group also announced an additional open market share buyback programme for an amount of EUR 750 million after completion of the sale of NN IP. This additional share buyback programme commenced on 13 April 2022. These share buyback programmes were completed on 20 December 2022.

NN Group neutralised the dilutive effect of the 2021 final dividend that was paid in the form of ordinary shares for a total amount of EUR 218 million and the 2022 interim dividend that was paid in the form of ordinary shares for a total amount of EUR 131 million. These share buyback programmes were completed on 24 August 2022 and 12 October 2022, respectively.

NN Group reports on the progress of the share buyback programmes on its corporate website (<a href="https://www.nn-group.com/investors/share-information/share-buyback-programme.htm">https://www.nn-group.com/investors/share-information/share-buyback-programme.htm</a>) on a weekly basis.

## **Share capital**

On 25 November 2022, 15,000,000 NN Group treasury shares which were repurchased under the share buyback programmes were cancelled.

The total number of NN Group shares outstanding (net of 13,606,134 treasury shares) on 10 February 2023 was 281,393,866.

## **Credit ratings**

On 18 May 2022, Standard & Poor's published a report affirming NN Group's 'A' financial strength rating and 'BBB+' credit rating with a positive outlook.

On 24 October 2022, Fitch Ratings published a report affirming NN Group's 'AA-' financial strength rating and 'A+' credit rating with a stable outlook.

Credit ratings of NN Group on 15 February 2023	Financial Strength Rating	NN Group N.V. Counterparty Credit Rating
Standard & Poor's	А	BBB+
	Positive	Positive
Fitch	AA-	A+
	Stable	Stable



## **Netherlands Life**

- Operating capital generation increased to EUR 561 million from EUR 451 million in the second half of 2021, mainly driven by the impact of higher interest rates
- Operating result of EUR 447 million compared with EUR 466 million in the second half of 2021, reflecting a lower investment margin and lower fees and premium-based revenues, partly offset by a higher technical margin
- Full-year 2022 operating capital generation increased to EUR 1,142 million from EUR 846 million in 2021, mainly driven by higher interest rates, partly offset by a lower investment return
- Full-year 2022 operating result increased to EUR 999 million from EUR 986 million in 2021, driven by a higher technical margin and lower administrative expenses, partly offset by a lower investment margin and lower fees and premium-based revenues

In FUD william	2H22	21124	Chanas	EV/22	FV24	Chanas
In EUR million	ZHZZ	2H21	Change	FY22	FY21	Change
Analysis of results						
Investment margin	478	501	-4.7%	980	996	-1.6%
Fees and premium-based revenues	185	199	-7.3%	387	391	-1.0%
Technical margin	47	29	61.3%	123	103	18.6%
Operating income non-modelled business	0	0		0	0	
Operating income	710	730	-2.8%	1,490	1,490	-0.0%
Administrative expenses	250	249	0.6%	465	473	-1.8%
DAC amortisation and trail commissions	12	15	-17.3%	26	31	-14.5%
Total expenses	262	264	-0.4%	491	504	-2.6%
Operating result <sup>2)</sup>	447	466	-4.1%	999	986	1.3%
Non-operating items	-1,106	1,286		-853	1,946	
of which gains/losses and impairments	-434	957		-126	1,618	
of which revaluations	-787	386		-1,373	379	
of which market and other impacts	115	-58		646	-51	
Special items	-18	-11		-32	-17	
Result on divestments	0	0		0	0	
Result before tax	-677	1,741		115	2,915	-96.1%
Taxation	-150	226		-26	431	
Minority interests	-4	-2		0	-4	
Net result	-524	1,516		141	2,488	-94.3%
New business						
Single premiums	268	396	-32.4%	528	807	-34.6%
Regular premiums	36	30	19.7%	300	158	90.2%
New sales life insurance (APE)	63	70	-9.8%	353	239	48.0%
Value of new business	10	6	55.5%	53	21	152.7%
Key figures						
Operating capital generation <sup>1)</sup>	561	451	24.5%	1,142	846	35.0%
Gross premium income	1,615	1,716	-5.9%	3,569	3,972	-10.1%
Administrative expenses	250	249	0.6%	465	473	-1.8%
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures						
Life general account invested assets	107	109	-2.1%	107	113	-5.9%
Assets under Management DC business total <sup>20)</sup>	27.8	27.0	3.1%	27.8	29.9	-7.1%
Total provisions for insurance and investment contracts	107	110	-2.6%	107	118	-9.3%
of which for risk policyholder	23	24	-0.6%	23	28	-15.7%
NN Life Solvency II ratio <sup>3)</sup>	191%	187%		191%	219%	
Employees (internal FTEs, end of period)	2,041	2,021	1.0%	2,041	2,058	-0.8%
zp.o, cos (comar res, cha or period)	2,041	2,021	1.570	2,041	2,000	0.070



Operating capital generation of Netherlands Life increased to EUR 561 million from EUR 451 million in the second half of 2021. This is mainly driven by the lower net negative impact of the UFR drag and risk margin release as a result of higher interest rates.

The operating result was EUR 447 million compared with EUR 466 million in the second half of 2021, reflecting a lower investment margin as the previous period included EUR 54 million of special dividends, as well as lower fees and premium-based revenues, partly offset by a higher technical margin.

The investment margin decreased to EUR 478 million compared with EUR 501 million in the second half of 2021. The second half year of 2021 benefited from special dividends of EUR 54 million, whereas the same period in 2022 did not include such dividends.

Fees and premium-based revenues decreased to EUR 185 million from EUR 199 million in the second half of 2021, mainly reflecting the run-off of the individual life closed book.

The technical margin increased to EUR 47 million from EUR 29 million in the second half of 2021, reflecting higher mortality results, partly offset by lower morbidity results.

Administrative expenses were broadly in line with the second half of 2021 reflecting lower staff expenses offset by higher project expenses.

DAC amortisation and trail commissions decreased to EUR 12 million from EUR 15 million in the second half of 2021.

The result before tax decreased to EUR -677 million from EUR 1,741 million in the second half of 2021, mainly due to lower non-operating items, reflecting lower gains/losses and impairments and lower revaluations, partly offset by higher markets and other impacts.

Gains/losses and impairments decreased to EUR -434 million in the second half of 2022 from EUR 957 million in the same period of 2021, which benefited from gains on sale of public equities and government bonds. The current half-year mainly reflects lower capital gains on the sale of public equities and bonds as well as higher impairments on equity securities.

Revaluations decreased to EUR -787 million compared with EUR 386 million in the second half of 2021, which benefited from positive revaluations on real estate. The current half-year mainly reflects negative revaluations on derivatives used for hedging purposes reflecting accounting asymmetries and negative revaluations on real estate.

Market and other impacts were EUR 115 million versus EUR -58 million in the second half of 2021, mainly reflecting movements in the provisions for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging).

New sales (APE) decreased to EUR 63 million from EUR 70 million in the second half of 2021, due to a lower volume of group pension contracts.

Value of new business increased to EUR 10 million from EUR 6 million in the same period of 2021.

Assets under management DC increased to EUR 27.8 billion compared with EUR 27.0 billion at 30 June 2022, mainly driven by net inflows of EUR 1.1 billion, partly offset by unfavourable market movements.

Full-year 2022 operating capital generation increased to EUR 1,142 million from EUR 846 million in 2021. The increase is mainly driven by the lower net negative impact of the UFR drag and risk margin release as a result of higher interest rates, as well as positive experience variance and higher new business contribution, partly offset by a lower investment return.

The full-year 2022 operating result increased to EUR 999 million from EUR 986 million in 2021. The increase is driven by a higher technical margin and lower administrative expenses, partly offset by a lower investment margin and lower fees and premium-based revenues.

The technical margin for full-year 2022 includes higher mortality experience, partly offset by lower morbidity results. Administrative expenses decreased to EUR 465 million from EUR 473 million in 2021, mainly driven by lower staff expenses. The investment margin in 2021 included EUR 78 million of private equity and special dividends whereas 2022 did not include such dividends.

The full-year 2022 result before tax decreased to EUR 115 million compared with EUR 2,915 million in 2021. The decrease mainly reflects lower revaluations on derivatives and real estate as well as lower gains/losses and



impairments on public equity and government bonds, partly offset by higher markets and other impacts and the higher operating result.

New sales (APE) for the full-year 2022 increased to EUR 353 million from EUR 239 million in 2021, mainly driven by a higher volume of group pension contracts, including the renewal of several large contracts.

Value of new business for the full-year 2022 was EUR 53 million compared with EUR 21 million in 2021, reflecting a higher volume of group pension contracts as well as a favourable impact from an increase in interest rates.



## **Netherlands Non-life**

- Operating capital generation decreased to EUR 136 million from EUR 163 million in the second half of 2021; underlying portfolio performance is strong, however results are impacted by an increase in capital requirements following a hardening of the reinsurance market
- Operating result increased to EUR 127 million from EUR 125 million in the second half of 2021; Disability &
  Accident (D&A) includes the impact from higher minimum wage assumptions partly compensated by
  assumption updates while Property & Casualty (P&C) reflects the additional provisioning for potential impact of
  higher inflation and for bodily injury claims, partly offset by favourable result in the Fire portfolio
- Combined ratio was 95.4% versus 95.1% in the second half of 2021
- Full-year 2022 operating capital generation decreased to EUR 280 million from EUR 325 million in 2021 and
  reflects the impact of the February 2022 storm in P&C as well as the hardening of the reinsurance market, while
  the comparative period includes the positive impact from Covid-19 on the P&C lines partly offset by the impact
  of the floods
- Full-year 2022 operating result decreased to EUR 255 million from EUR 314 million in 2021; D&A includes the
  impact from higher wage inflation assumptions, partly compensated by other assumption updates as well as
  favourable claims development while P&C is impacted by the storm in February 2022, partly offset by favourable
  results on prior accident years
- Combined ratio for the full-year 2022 was 95.8% versus 93.5% for full-year 2021

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Analysis of results						
Earned premiums	1,779	1,798	-1.1%	3,576	3,617	-1.1%
Investment income	73	64	13.8%	143	128	11.6%
Other income	-4	-6		-5	-6	
Operating income	1,848	1,857	-0.5%	3,715	3,739	-0.6%
Claims incurred, net of reinsurance	1,214	1,219	-0.4%	2,480	2,424	2.3%
Acquisition costs	312	330	-5.7%	633	660	-4.0%
Administrative expenses	199	189	5.5%	366	357	2.5%
Acquisition costs and administrative expenses	511	519	-1.6%	999	1,017	-1.7%
Expenditure	1,724	1,738	-0.8%	3,479	3,440	1.1%
Operating result insurance businesses	124	119	4.4%	236	299	-21.1%
Operating result non-insurance businesses	3	6	-48.1%	19	16	19.1%
Total operating result <sup>2)</sup>	127	125	1.7%	255	314	-19.0%
Non-operating items	-42	53		-24	57	
of which gains/losses and impairments	-44	24		-38	33	
of which revaluations	2	29	-92.0%	14	24	-39.7%
of which market and other impacts	0	0	-22.2%	0	0	-38.9%
Special items	-12	-14		-22	-35	
Result on divestments	0	0		0	0	
Result before tax	74	164	-55.0%	209	336	-37.9%
Taxation	20	33	-41.1%	47	71	-33.3%
Minority interests	1	7	-78.8%	3	16	-79.0%
Net result	53	124	-57.4%	158	250	-36.7%
Key figures						
Operating capital generation <sup>1)</sup>	136	163	-16.4%	280	325	-13.6%
Gross premium income	1,447	1,491	-3.0%	3,774	3,798	-0.6%
Total administrative expenses <sup>21)</sup>	291	272	7.0%	562	496	13.3%
Combined ratio <sup>10)</sup>	95.4%	95.1%		95.8%	93.5%	
of which Claims ratio <sup>10)</sup>	66.7%	66.2%		67.8%	65.4%	
of which Expense ratio <sup>10)</sup>	28.7%	28.9%		27.9%	28.1%	
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures						
Total insurance provisions	8	8	-5.2%	8	7	3.4%
Employees (internal FTEs, end of period)	4,125	3,897	5.9%	4,125	3,853	7.1%



The operating capital generation of Netherlands Non-life decreased to EUR 136 million from EUR 163 million in the second half of 2021. The second half of 2021 included a positive impact from Covid-19 on the P&C lines, which was only partly offset by the impact of the floods in the Netherlands and Belgium in July 2021. The underlying portfolio performance is strong in the second half of 2022, however results are impacted by an increase in capital requirements following a hardening of the reinsurance market as well as additional provisioning for the potential impact of higher inflation and for bodily injury claims. This was partly offset by a higher new business contribution reflecting higher margins and increased interest rates, a favourable claims experience in the Fire portfolio as well as a higher investment return following the increase in interest rates.

The operating result of increased to EUR 127 million from EUR 125 million in the second half of 2021, reflecting an increased operating result at D&A partly offset by a lower operating result at P&C.

The combined ratio was 95.4% versus 95.1% in the second half of 2021.

The operating result in P&C decreased to EUR 98 million from EUR 122 million in the second half of 2021 which included EUR 44 million of claims in the Fire portfolio related to the floods in the Netherlands and Belgium in July 2021 as well as a positive impact from Covid-19. The current half-year reflects the additional provisioning for the potential impact of higher inflation. Favourable claims experience in the Fire portfolio was offset by additional provisioning for bodily injury claims in Motor. The P&C combined ratio was 93.4% compared with 91.4% in the second half of 2021.

The operating result in D&A was EUR 26 million compared with EUR -3 million in the second half of 2021. The underwriting result in the Individual Disability portfolio was higher mainly reflecting a negative impact of Covid-19 in the second half of 2021. Lower underwriting results in the Group Income portfolio mainly reflect a negative impact from higher minimum wage inflation assumptions, partly compensated by assumption updates. The D&A combined ratio was 99.6% versus 103.6% in the second half of 2021.

Administrative expenses increased to EUR 199 million from EUR 189 million in the second half of 2021 mainly reflecting a transfer of activities from the non-insurance businesses as from this period. On a comparable basis, administrative expenses were broadly stable.

The operating result of the non-insurance businesses was EUR 3 million versus EUR 6 million in the second half of 2021.

The result before tax of Netherlands Non-life decreased to EUR 74 million from EUR 164 million in the second half of 2021, mainly reflecting lower non-operating items, partly offset by the higher operating result and lower special items. Non-operating items include lower realised gains/impairments on public equity as well as government bonds and negative revaluations on real estate. Special items mainly include integration expenses.

Full-year 2022 operating capital generation decreased to EUR 280 million from EUR 325 million in 2021. Results reflect the impact of the February 2022 storm in P&C and the hardening of the reinsurance market as well as the additional provisioning for the potential impact of higher inflation and for bodily injury claims, partly offset by favourable underwriting results, as well as a higher new business contribution and investment margin following the increase in interest rates. The second half of 2021 reflected higher underwriting results including a positive impact from Covid-19 on the P&C lines, partly offset by the impact of the floods in the Netherlands and Belgium in July 2021.

The full-year 2022 operating result of Netherlands Non-life decreased to EUR 255 million from EUR 314 million in 2021. The decrease reflects lower underwriting results in P&C, partly offset by higher underwriting results in D&A and a higher investment income. P&C results include the impact of EUR 82 million of claims (net of reinsurance) related to the storm in February 2022 and the additional provisioning for the potential impact of higher inflation and for bodily injury claims, partly offset by favourable claims development, whereas 2021 included EUR 44 million of claims related to the floods in the Netherlands and Belgium in July 2021 as well as a favourable claims development including a positive impact of Covid-19. Results in D&A reflect a negative impact from higher wage inflation assumptions, partly compensated by other assumption updates as well as favourable claims development, whereas 2021 included a negative impact of Covid-19.

The full-year 2022 result before tax decreased to EUR 209 million from EUR 336 million in 2021, reflecting the lower operating result and lower non-operating items, partly offset by lower special items. Lower non-operating items include lower realised gains/impairments on public equity as well as government bonds and negative revaluations on real estate. Special items mainly reflect integration expenses.

The combined ratio for 2022 was 95.8% compared with 93.5% in 2021.



## **Insurance Europe**

- Operating capital generation increased to EUR 190 million from EUR 137 million in the second half of 2021,
   mainly reflecting a positive contribution from the acquired MetLife businesses and a higher investment return
- Value of new business decreased to EUR 105 million from EUR 115 million in the second half of 2021, as a result of the negative impact of discounting at higher interest rates
- Operating result decreased to EUR 134 million from EUR 154 million in the second half of 2021, reflecting a higher technical margin and investment margin, more than offset by lower fees and higher expenses
- Full-year 2022 operating capital generation increased to EUR 388 million from EUR 318 million in 2021, mainly reflecting a higher investment return and a positive contribution from the acquired MetLife businesses
- Full-year 2022 value of new business decreased to EUR 231 million from EUR 250 million in 2021, mainly due to the adverse effect of discounting at higher interest rates
- Full-year 2022 operating result was broadly stable at EUR 310 million

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Analysis of results			0-			0-
Investment margin	90	59	52.8%	145	116	25.0%
Fees and premium-based revenues	440	418	5.3%	859	811	6.0%
Technical margin	139	115	20.6%	281	235	20.0%
Operating income non-modelled business	0	1	-67.7%	0	1	-67.6%
Operating income Life Insurance	670	593	12.9%	1,286	1,163	10.6%
Administrative expenses	291	235	23.4%	515	446	15.6%
DAC amortisation and trail commissions	245	204	20.5%	460	401	14.9%
Expenses Life Insurance	536	439	22.0%	976	847	15.3%
Operating result Life Insurance	134	154	-13.1%	310	316	-1.8%
Operating result Non-life	0	0		-1	-1	
Operating result <sup>2)</sup>	134	154	-13.0%	310	315	-1.6%
Non-operating items	-75	29		-84	48	
of which gains/losses and impairments	-45	1		-92	2	
of which revaluations	-26	31		13	46	-70.7%
of which market and other impacts	-3	-2		-6	0	
Special items	-26	-9		-39	-14	
Acquisition intangibles and goodwill	-1	-7		-2	-7	
Result on divestments	15	54	-72.4%	15	54	-72.4%
Result before tax	48	222	-78.5%	201	396	-49.4%
Taxation	17	41	-59.3%	55	80	-31.7%
Minority interests	0	0		0	0	
Net result	31	181	-82.9%	146	316	-53.9%
New business						
Single premiums	512	626	-18.3%	1,143	1,285	-11.0%
Regular premiums	295	285	3.7%	594	599	-0.7%
New sales life insurance (APE)	346	347	-0.3%	709	727	-2.5%
Value of new business	105	115	-8.7%	231	250	-7.6%
Key figures						
Operating capital generation <sup>1)</sup>	190	137	39.3%	388	318	22.1%
Gross premium income	1,641	1,558	5.3%	3,247	3,127	3.8%
Total administrative expenses (Life and Non-life)	299	242	23.7%	530	458	15.7%
L FUEL III	24 D 22	20.1 22	Character	24 D 22	24 D 24	Character
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures						
Life general account invested assets	15	15	-2.3%	15	14	7.3%
Total provisions for insurance and investment contracts	24	24	-1.9%	24	24	-1.0%
of which for risk policyholder	10	10	1.6%	10	10	0.5%
Assets under Management Pensions <sup>22)</sup>	26	22	18.3%	26	25	4.0%
Employees (internal FTEs, end of period)	5,241	4,892	7.1%	5,241	4,652	12.7%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.4.1 Analysis of results: Insurance Europe – Excluding currency effect



Operating capital generation of Insurance Europe increased to EUR 190 million from EUR 137 million in the second half of 2021. The increase reflects a positive contribution from the acquired MetLife businesses in Greece and Poland as well as a higher investment return following higher interest rates, partly offset by lower pension fees across the region, whereas the same period last year was negatively impacted by a non-recurring item in Greece.

The operating result decreased to EUR 134 million from EUR 154 million in the second half of 2021, down 12.9% on a constant currency basis. This reflects a higher technical margin and investment margin as well as a positive contribution from the acquired MetLife businesses, more than offset by lower life and pension fees across the region, higher expenses and commissions.

The investment margin increased to EUR 90 million from EUR 59 million in the second half of 2021, mainly driven by a higher investment margin across the region as well as the contribution from the acquired MetLife businesses.

Fees and premium-based revenues increased to EUR 440 million from EUR 418 million in the second half of 2021, mainly driven by the contribution from the acquired MetLife businesses. This was partly offset by lower life and pension fees across the region.

The technical margin increased to EUR 139 million from EUR 115 million in the second half of 2021, mainly driven by higher mortality and morbidity results, including an EUR 8 million reserve release in Poland.

Administrative expenses increased to EUR 291 million from EUR 235 million in the second half of 2021, mainly reflecting the contribution of the acquired MetLife businesses and the impact of higher inflation and investments into various growth initiatives.

DAC amortisation and trail commissions increased to EUR 245 million from EUR 204 million in the second half of 2021, mainly reflecting the contribution from the acquired MetLife businesses.

The non-life operating result was stable.

The result before tax decreased to EUR 48 million from EUR 222 million in the second half of 2021, mainly reflecting negative real estate revaluations and mutual fund impairments in Belgium. The result before tax in 2021 benefited from the result on the sale of the Bulgarian business.

New sales (APE) at Insurance Europe were broadly neutral at EUR 346 million, up 3.2% on a constant currency basis from the second half of 2021. This mainly reflects the positive contribution from the acquired MetLife businesses as well as premium increases and upsell actions, partly offset by lower sales mostly in Belgium and Spain.

Value of new business decreased to EUR 105 million from EUR 115 million in the second half of 2021 as a result of the negative impact of discounting at higher interest rates. Higher expenses in the region were offset by a positive contribution from the acquired MetLife businesses and an improved business mix.

Full-year 2022 operating capital generation increased to EUR 388 million from EUR 318 million, mainly reflecting a higher investment return following higher interest rates, a positive contribution from the acquired MetLife businesses, partly offset by lower pension fees across the region, whereas 2021 was negatively impacted by a non-recurring item in Greece.

The full-year 2022 operating result decreased to EUR 310 million from EUR 315 million in 2021, down 1.2% on a constant currency basis. This was mainly driven by a higher technical margin and investment margin as well as the acquired MetLife businesses, more than offset by lower pension fees in Slovakia and Romania, higher expenses and commissions.

The result before tax for full-year 2022 decreased to EUR 201 million from EUR 396 million in 2021, mainly due to mutual fund impairments and negative real estate revaluations mainly in Belgium, while the 2021 included a positive result from the sale of the Bulgarian business.

Full-year 2022 new sales (APE) were EUR 709 million, broadly stable on a constant currency basis from 2021.

Value of new business for full-year 2022 decreased to EUR 231 million from EUR 250 million in 2021 as a result of the negative impact of discounting at higher interest rates. The impact of model and assumption changes and higher expenses in the region were offset by a positive contribution from the acquired MetLife businesses and an improved business mix.



## **Japan Life**

- Operating capital generation decreased to EUR 41 million from EUR 72 million in the second half of 2021, mainly
  due to a reinsurance transaction, higher hedge costs as well as lower mortality results and currency impacts,
  partly offset by a lower new business strain
- Value of new business of EUR 62 million in the second half of 2022, up 4.8% on a constant currency basis, reflecting growth in protection, partly offset by lower sales of cash value insurance products
- Operating result decreased to EUR 88 million from EUR 107 million in the second half of 2021, mainly reflecting lower fees and premium-based revenues
- Full-year 2022 operating capital generation decreased to EUR 115 million from EUR 129 million, mainly due to a reinsurance transaction as well as lower mortality results and currency impacts, partly offset by a lower new business strain
- Full-year 2022 value of new business was EUR 146 million, broadly stable on a constant currency basis, reflecting an improved margin offset by lower sales of cash value insurance products
- Full-year 2022 operating result decreased to EUR 218 million from EUR 263 million in 2021, mainly reflecting lower fees and premium-based revenues

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Analysis of results						
Investment margin	2	-4		6	-12	
Fees and premium-based revenues	238	271	-12.2%	546	610	-10.6%
Technical margin	7	9	-18.8%	14	30	-53.2%
Operating income non-modelled business	0	0	-98.6%	0	0	-98.6%
Operating income	247	276	-10.4%	565	628	-10.0%
Administrative expenses	65	71	-8.5%	124	135	-7.9%
DAC amortisation and trail commissions	95	99	-3.8%	223	230	-3.1%
Total expenses	160	169	-5.8%	347	365	-4.9%
Operating result <sup>2)</sup>	88	107	-17.7%	218	263	-17.1%
Non-operating items	-30	-1		-25	2	
of which gains/losses and impairments	-6	0		-7	4	
of which revaluations	-16	-1		-10	-2	
of which market and other impacts	-8	0		-8	0	
Special items	-2	-1		-3	-3	
Result on divestments	0	0		0	0	
Result before tax	56	105	-46.1%	190	262	-27.4%
Taxation	16	30	-46.3%	53	74	-27.7%
Minority interests	0	0		0	0	
Net result	40	74	-46.0%	137	188	-27.3%
New business						
Single premiums	0	0		0	0	
Regular premiums	114	150	-24.5%	272	345	-21.1%
New sales life insurance (APE)	114	150	-24.5%	272	345	-21.1%
Value of new business	62	64	-3.6%	146	156	-6.7%
Key figures						
Operating capital generation <sup>1)</sup>	41	72	-43.3%	115	129	-11.0%
Gross premium income	1,287	1,459	-11.8%	3,006	3,381	-11.1%
Administrative expenses	65	71	-8.5%	124	135	-7.9%
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures						
Life general account invested assets	16	16	-0.9%	16	17	-7.6%
Total provisions for insurance and investment contracts	17	16	0.8%	17	18	-5.4%
of which for risk policyholder	0	0	-0.8%	0	0	-15.5%
Employees (internal FTEs, end of period)	937	911	2.9%	937	859	9.1%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.5.1 Analysis of results: Japan Life – Excluding currency effects'



Operating capital generation of Japan Life decreased to EUR 41 million from EUR 72 million in the second half of 2021, mainly due to the impact of a reinsurance transaction, higher hedge costs as well as lower mortality results and currency impacts. This was partly offset by a lower new business strain as a result of lower sales.

The operating result decreased to EUR 88 million from EUR 107 million in the second half of 2021, mainly reflecting lower fees and premium-based revenues. Excluding currency effects, the operating result decreased by 10.7%.

Investment margin increased to EUR 2 million from EUR -4 million in the second half of 2021, driven by higher coupons as a result of positive currency impacts and higher interest rates.

Fees and premium-based revenues decreased to EUR 238 million from EUR 271 million in the second half of 2021, mainly driven by negative currency impacts, a lower reinsurance result and lower premium income from new business and in-force business.

The technical margin was broadly stable at EUR 7 million.

Administrative expenses decreased to EUR 65 million from EUR 71 million in the second half of 2021, driven by currency impacts and lower IT costs, partly offset by higher personnel costs due to accelerated hiring of IT engineers.

DAC amortisation and trail commissions decreased to EUR 95 million from EUR 99 million in the second half of 2021, mainly driven by currency impacts, lower trail commissions and lower DAC premium income, partly offset by higher surrenders.

The result before tax decreased to EUR 56 million from EUR 105 million in the second half of 2021. This was driven by the lower operating result and lower non-operating items, mainly reflecting higher hedge costs and the impact of a reinsurance transaction.

New sales (APE) decreased to EUR 114 million from EUR 150 million in the second half of 2021, mainly driven by lower sales of cash value insurance products. Excluding currency effects, new sales decreased by 17.9%.

Value of new business was broadly stable at EUR 62 million in the second half of 2022. Excluding currency effects, value of new business increased by 4.8% reflecting continued growth in protection driven by an improved margin as a result of higher interest rates and management actions such as repricing, partly offset by lower sales of cash value insurance products.

Full-year 2022 operating capital generation decreased to EUR 115 million from EUR 129 million, mainly due to the impact of a reinsurance transaction as well as lower mortality results and currency impacts, partly offset by a lower new business strain as a result of lower sales. Excluding currency effects, the full-year operating capital generation decreased by 6.2%.

Full-year 2022 operating result decreased to EUR 218 million from EUR 263 million in 2021, mainly reflecting lower fees and premium-based revenues and a lower technical margin, partly offset by a higher investment margin, lower administrative expenses and DAC amortisation and trail commissions. Excluding currency effects, the operating result decreased by 11.1%.

The result before tax for full-year 2022 decreased to EUR 190 million from EUR 262 million in 2021, reflecting the lower operating result and lower non-operating items.

New sales (APE) for full-year 2022 decreased to EUR 272 million from EUR 345 million in 2021, mainly driven by lower sales of cash value insurance products. Excluding currency effects, new sales decreased by 15.1%.

Full-year 2022 value of new business was EUR 146 million, broadly stable on a constant currency basis, reflecting continued growth in protection driven by an improved margin as a result of higher interest rates and management actions including repricing, offset by lower sales of cash value insurance products.



## **Banking**

- Net operating Return on Equity (RoE) remained broadly stable at 9.0% compared with 9.2% in the second half of 2021, as the lower net operating result was offset by lower average equity
- Operating result decreased to EUR 49 million from EUR 55 million in the second half of 2021, mainly reflecting higher total expenses related to compliance and investments in digitalisation while the operating income was broadly stable
- Operating capital generation decreased to EUR 24 million from EUR 49 million in the second half of 2021, mainly reflecting a lower statutory net result
- Full-year 2022 operating capital generation was EUR 35 million compared with EUR 104 million in 2021, mainly reflecting a lower statutory net result and a higher increase in risk-weighted assets
- Full-year 2022 net operating RoE decreased to 8.9% compared with 11.0% for 2021, reflecting a lower net operating result, partly offset by lower average equity
- Full-year 2022 operating result decreased to EUR 97 million from EUR 134 million in 2021, mainly due to higher total expenses, lower commission income and a lower interest result

In EUR million	2H22	2H21	Change	FY22	FY21	Change
Analysis of results			onange			0.101.60
Interest result	144	141	2.2%	270	280	-3.7%
Commission income	22	25	-13.2%	48	59	-18.6%
Total investment and other income	18	17	5.4%	36	33	8.0%
Operating income	184	183	0.4%	354	372	-5.0%
Operating expenses	127	121	4.4%	232	219	5.6%
Regulatory levies	9	11	-19.0%	27	27	-1.2%
Addition to loan loss provision	-1	-5		-2	-8	
Total expenses	135	128	5.5%	257	239	7.7%
Operating result <sup>2)</sup>	49	55	-11.4%	97	134	-27.7%
Non-operating items	-1	-25		9	-27	
of which gains/losses and impairments	0	1		0	2	
of which revaluations	0	0		0	0	
of which market and other impacts	-1	-27		9	-28	
Special items	0	0		-1	0	
Result before tax	47	29	60.8%	105	106	-1.3%
Taxation	12	5	133.6%	27	25	10.7%
Minority interests	0	0		0	0	
Net result	35	24	45.1%	78	82	-4.9%
Key figures						
Operating capital generation <sup>1)</sup>	24	49	-51.5%	35	104	-66.3%
Total administrative expenses <sup>24)</sup>	136	133	2.4%	259	247	4.9%
Cost/income ratio <sup>25)</sup>	68.9%	66.3%		65.6%	59.0%	
Net Interest Margin (NIM) <sup>26)</sup>	1.12%	1.13%				
Net operating RoE <sup>27)</sup>	9.0%	9.2%		8.9%	11.0%	
In EUR billion	31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
Key figures	0110011	00 74 22	0.10.180	01 00011	0100011	onange
CET1 ratio <sup>11)</sup>	15.3%	14.6%		15.3%	17.4%	
Total capital ratio <sup>11)</sup>	16.6%	15.9%		16.6%	18.8%	
Risk Weighted Assets (RWA) <sup>11)</sup>	6	6	0.8%	6	6	4.7%
Savings and deposits	16	16	0.6%	16	16	2.1%
Mortgages	22	21	3.5%	22	21	6.1%
Total assets	24	24	-0.6%	24	24	-0.9%
Employees (internal FTEs, end of period)	1,006	970	3.7%	1,006	944	6.6%
1 / 1	_,			_,		



Operating capital generation of Banking decreased to EUR 24 million from EUR 49 million in the second half of 2021, mainly reflecting a lower statutory net result partly offset by a lower increase in risk-weighted assets (RWA). The lower statutory net result mainly reflects lower commission income as a result of lower mortgage origination fees. The statutory net result and the net result for Group consolidation purposes differ mainly as a result of the treatment of origination fees, which are recognised immediately as income in the statutory net result and amortised over time in the Group consolidated figures. The lower increase in RWA reflects the origination of a higher proportion of stateguaranteed mortgages (NHG), partly offset by further mortgage portfolio growth. The total capital ratio target for Banking is expected to increase by 1% in both 2023 and 2024 as a result of the upcoming increase of the Counter Cyclical Buffer.

Net operating Return on Equity (RoE) remained broadly stable at 9.0% compared with 9.2% in the second half of 2021, as the lower net operating result was offset by lower average equity.

The operating result decreased to EUR 49 million from EUR 55 million in the second half of 2021, mainly reflecting higher total expenses relating to compliance and investments in digitalisation, as well as lower commission income, partly offset by a higher net interest margin.

The interest result increased to EUR 144 million from EUR 141 million in the second half of 2021, mainly reflecting improved margins on customer deposits and mortgages. The net interest margin (NIM), calculated on a four-quarter rolling average, remained stable at 1.1%.

Commission income decreased to EUR 22 million from EUR 25 million in the second half of 2021, mainly reflecting lower origination fees on a lower volume of mortgages transferred to the NN Dutch Residential Mortgage Fund.

Total investment and other income remained broadly stable at EUR 18 million.

Operating expenses were EUR 127 million compared with EUR 121 million in the second half of 2021, mainly reflecting higher compliance expenses and investments in digitalisation.

Regulatory levies decreased to EUR 9 million from EUR 11 million in the second half of 2021, reflecting lower contributions to the Deposit Guarantee Scheme.

The release of the loan loss provision was EUR 1 million in the second half of 2022 compared with a release of EUR 5 million in the same period of 2021, mainly reflecting a lower increase in house prices.

The result before tax increased to EUR 47 million from EUR 29 million in the second half of 2021 which included a EUR 23 million provision for compensating consumer credit customers for excess interest paid in the non-operating items.

Full-year 2022 operating capital generation of Banking was EUR 35 million compared with EUR 104 million in 2021, mainly reflecting a lower statutory net result and a higher increase in RWA. The lower statutory net result is mainly due to lower commission income, higher total expenses and a lower interest result. The higher increase in RWA is mainly caused by a higher growth of the mortgage portfolio.

The full-year 2022 net operating RoE decreased to 8.9% compared with 11.0% for 2021, reflecting a lower net operating result, partly offset by lower average equity.

The full-year 2022 operating result decreased to EUR 97 million from EUR 134 million in 2021, mainly due to higher total expenses, lower commission income and a lower interest result.

The full-year 2022 result before tax remained broadly stable at EUR 105 million as the lower operating result was largely offset by higher non-operating items.



## **Other**

- Operating capital generation was EUR -140 million compared with EUR -136 million in the first half of 2021, reflecting a lower operating capital generation of the reinsurance business, partly offset by lower debt servicing expenses
- Operating result of EUR -85 million versus EUR -81 million in the second half of 2021, mainly reflecting lower other results, partly compensated by a higher operating result of the reinsurance business
- Operating result of the reinsurance business increased to EUR 1 million from EUR -7 million in the second half of 2021, which included EUR 8 million of claims related to the floods in July 2021
- Full-year 2022 operating capital generation was EUR -280 million compared with EUR -272 million in 2021, mainly reflecting a lower operating capital generation of the reinsurance business and higher project expenses, partly offset by lower debt servicing expenses
- Full-year 2022 operating result was EUR -172 million compared with EUR -157 million in 2021, mainly due to lower other results
- Full-year 2022 operating result of the reinsurance business was EUR 12 million compared with EUR 11 million in 2021

In ELR million Analysis of results  Interest on hybrids and debt™ Investment income and fees Investme							
Interest on hybrids and debt*80   -63   -55   -117   -108	In EUR million	2H22	2H21	Change	FY22	FY21	Change
Investment income and fees   73   52   40.9%   127   103   23.0%   10ding expenses   -84   -72   -174   -161   -							
Holding expenses   -84	•						
Amortisation of intangible assets	Investment income and fees	73	52	40.9%	127	103	23.0%
Holding result   Page   Page	Holding expenses	-84	-72		-174	-161	
Operating result reinsurance business         1         -7         12         11         1.7%           Other results         -12         1         -20         -3           Operating result <sup>2)</sup> -85         -81         -172         -157           Non-operating items         -17         -10         -17         25           of which gains/losses and impairments         -50         3         -50         12           of which gains/losses and impairments         -50         3         -50         12           of which gains/losses and impairments         -50         3         -50         12           of which arrise and impairments         -50         3         -50         12           of which market and other impacts         11         -12         -63         -26           Special items         -20         -18         -39         -30           Acquisition intangibles and goodwill         -14         -11         -28         -21           Result before tax         -135         -119         805         -184           Taxation         -54         0         -71         -11           Minority interests         -1         0         -72         -11	Amortisation of intangible assets	0	0		0	0	
Cher results	Holding result	-73	-75		-164	-166	
Non-operating items	Operating result reinsurance business	1	-7		12	11	1.7%
Non-operating items	Other results	-12	1		-20	-3	
of which gains/losses and impairments of which revaluations         50         3         -50         12         47.9%         39         147.9%         147.9%         39         147.9%         39         147.9%         39         147.9%         39         147.9%         39         147.9%         39         147.9%         30         47.9%         39         147.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%         30         47.9%	Operating result <sup>2)</sup>	-85	-81		-172	-157	
of which revaluations         22         -1         96         39         147.9% of which market and other impacts         11         -12         -63         -26         -26         Special items         -20         -18         -39         -30         -30         -30         -26         -26         -26         -26         -26         -26         -26         -26         -26         -26         -26         -26         -26         -26         -27         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -28         -21         -21         -28         -21         -21         -21         -21         -21         -21         -21         -21         -21         -21         -22         -22         -22         -22         -22         -22         -22         -22         -22         -22         -22         -22	Non-operating items	-17	-10		-17	25	
of which market and other impacts         11         -12         -63         -26           Special items         -20         -18         -39         -30           Acquisition intangibles and goodwill         -14         -11         -28         -21           Result on divestments         0         0         1,062         0           Result before tax         -135         -119         805         -184           Taxation         -54         0         -71         -11           Minority interests         -1         0         -71         -1           Net result         -80         -118         877         -172           Key figures         -1         0         -272         -172           Total administrative expenses         101         78         28.7%         197         172         15.1%           of which reinsurance business         5         5         8.2%         9         8         11.5%           of which corporate/holding         96         74         30.0%         188         163         15.3%           Key figures	of which gains/losses and impairments	-50	3		-50	12	
Special items         -20         -18         -39         -30           Acquisition intangibles and goodwill         -14         -11         -28         -21           Result on divestments         0         0         1,062         0           Result before tax         -135         -119         805         -184           Taxation         -54         0         -71         -11           Minority interests         -1         0         -71         -11           Minority interests         -18         877         -172           Key figures         Coperating capital generation <sup>13</sup> -140         -136         -280         -272           Total administrative expenses         101         78         28.7%         197         172         15.1%           of which reinsurance business         5         5         8.2%         9         8         11.5%           of which corporate/holding         96         74         30.0%         188         163         15.3%           Key figures         Employees (internal FTEs, end of period)         1,909         1,907         0.1%         1,909         1,840         3.7%           Key figur	of which revaluations	22	-1		96	39	147.9%
Acquisition intangibles and goodwill       -14       -11       -28       -21         Result on divestments       0       0       1,062       0         Result before tax       -135       -119       805       -184         Taxation       -54       0       -71       -11         Minority interests       -1       0       -71       0         Net result       -80       -118       877       -172         Key figures         Operating capital generation <sup>13</sup> -140       -136       -280       -272         Total administrative expenses       101       78       28.7%       197       172       15.1%         of which reinsurance business       5       5       8.2%       9       8       11.5%         of which corporate/holding       96       74       30.0%       188       163       15.3%         Key figures         Employees (internal FTEs, end of period)       1,909       1,907       0.1%       1,909       1,840       3.7%         In EUR million       31 Dec 22       30 Jun 22       Change       31 Dec 22       31 Dec 22 <td>of which market and other impacts</td> <td>11</td> <td>-12</td> <td></td> <td>-63</td> <td>-26</td> <td></td>	of which market and other impacts	11	-12		-63	-26	
Result on divestments         0         0         1,062         0           Result before tax         -135         -119         805         -184           Taxation         -54         0         -71         -11           Minority interests         -1         0         -71         -11           Net result         -80         -118         877         -172           Key figures         -80         -118         877         -172           Value         -80         -118         877         -172           Key figures         -10         -136         -280         -272           Total administrative expenses         101         78         28.7%         197         172         15.1%           of which reinsurance business         5         5         8.2%         9         8         11.5%           of which corporate/holding         31 Dec 22         30 Jun 22         Change         31 Dec 22	Special items	-20	-18		-39	-30	
Result before tax	Acquisition intangibles and goodwill	-14	-11		-28	-21	
Taxation	Result on divestments	0	0		1,062	0	
Minority interests	Result before tax	-135	-119		805	-184	
Net result	Taxation	-54	0		-71	-11	
Name	Minority interests	-1	0		-1	0	
Compariting capital generation	Net result	-80	-118		877	-172	
Compariting capital generation							
Total administrative expenses         101         78         28.7%         197         172         15.1%           of which reinsurance business         5         5         8.2%         9         8         11.5%           of which corporate/holding         96         74         30.0%         188         163         15.3%           Key figures           Employees (internal FTEs, end of period)         1,909         1,907         0.1%         1,909         1,840         3.7%           In EUR million         31 Dec 22         30 Jun 22         Change         31 Dec 22         31 Dec 22         31 Dec 22         31 Dec 22         1 Dec 22         31 Dec 22         31 Dec 23         Change           Key figures Japan Closed Block VA           Account value         1,218         1,294         -5.9%         1,218         1,591         -23.4%	Key figures						
of which reinsurance business of which corporate/holding         5         5         8.2%         9         8         11.5% and 15.3%           31 Dec 22         30 Jun 22         Change         31 Dec 22         31 Dec 21         Change           Key figures           Employees (internal FTEs, end of period)         1,909         1,907         0.1%         1,909         1,840         3.7%           In EUR million         31 Dec 22         30 Jun 22         Change         31 Dec 22         31 Dec 22         31 Dec 21         Change           Key figures Japan Closed Block VA         4         -5.9%         1,218         1,591         -23.4%	Operating capital generation <sup>1)</sup>	-140	-136		-280	-272	
of which corporate/holding         96         74         30.0%         188         163         15.3%           Key figures           Employees (internal FTEs, end of period)         1,909         1,907         0.1%         1,909         1,840         3.7%           In EUR million         31 Dec 22         30 Jun 22         Change         31 Dec 22         31 Dec 21         Change           Key figures Japan Closed Block VA         4         -5.9%         1,218         1,591         -23.4%	Total administrative expenses	101	78	28.7%	197	172	15.1%
Section   Sect	of which reinsurance business	5	5	8.2%	9	8	11.5%
Key figures       Table 22         Employees (internal FTEs, end of period)       1,909       1,907       0.1%       1,909       1,840       3.7%         In EUR million       31 Dec 22       30 Jun 22       Change       31 Dec 22       31 Dec 21       Change         Key figures Japan Closed Block VA         Account value       1,218       1,294       -5.9%       1,218       1,591       -23.4%	of which corporate/holding	96	74	30.0%	188	163	15.3%
Key figures       Table 22         Employees (internal FTEs, end of period)       1,909       1,907       0.1%       1,909       1,840       3.7%         In EUR million       31 Dec 22       30 Jun 22       Change       31 Dec 22       31 Dec 21       Change         Key figures Japan Closed Block VA         Account value       1,218       1,294       -5.9%       1,218       1,591       -23.4%							
Key figures       Table 22         Employees (internal FTEs, end of period)       1,909       1,907       0.1%       1,909       1,840       3.7%         In EUR million       31 Dec 22       30 Jun 22       Change       31 Dec 22       31 Dec 21       Change         Key figures Japan Closed Block VA         Account value       1,218       1,294       -5.9%       1,218       1,591       -23.4%							
Employees (internal FTEs, end of period)       1,909       1,907       0.1%       1,909       1,840       3.7%         In EUR million       31 Dec 22       30 Jun 22       Change       31 Dec 22       31 Dec 21       Change         Key figures Japan Closed Block VA         Account value       1,218       1,294       -5.9%       1,218       1,591       -23.4%		31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
In EUR million         31 Dec 22         30 Jun 22         Change         31 Dec 22         31 Dec 21         Change           Key figures Japan Closed Block VA         4         -5.9%         1,218         1,591         -23.4%							
Key figures Japan Closed Block VA         1,218         1,294         -5.9%         1,218         1,591         -23.4%	Employees (internal FTEs, end of period)	1,909	1,907	0.1%	1,909	1,840	3.7%
Key figures Japan Closed Block VA         1,218         1,294         -5.9%         1,218         1,591         -23.4%							
Account value 1,218 1,294 -5.9% 1,218 1,591 -23.4%		31 Dec 22	30 Jun 22	Change	31 Dec 22	31 Dec 21	Change
	Key figures Japan Closed Block VA						
Net Amount at Risk 35 29 21.3% 35 9 277.1%	Account value	1,218	1,294	-5.9%	1,218	1,591	-23.4%
	Net Amount at Risk	35	29	21.3%	35	9	277.1%
Number of policies 13,577 14,443 -6.0% 13,577 15,615 -13.1%	Number of policies	13,577	14,443	-6.0%	13,577	15,615	-13.1%



Operating capital generation of the segment Other was EUR -140 million compared with EUR -136 million in the first half of 2021, reflecting a lower operating capital generation of the reinsurance business due to a hardening of the reinsurance market leading to a higher risk retention, partly offset by lower debt servicing expenses.

The operating result was EUR -85 million versus EUR -81 million in the second half of 2021, mainly reflecting lower other results, partly compensated by a higher operating result of the reinsurance business.

The holding result was EUR -73 million compared with EUR -75 million in the second half of 2021, reflecting higher investment income and fees, partly offset by higher holding expenses and higher interest on hybrids and debt reflecting the subordinated notes issued in August 2022.

The operating result of the reinsurance business increased to EUR 1 million from EUR -7 million in the second half of 2021. The current period reflects an EUR 8 million claim from a legacy portfolio, while the same period in 2021 reflected a EUR 9 million claim from a legacy portfolio and EUR 8 million of claims related to the floods in July 2021.

Other results decreased to EUR -12 million from EUR 1 million in the second half of 2021, mainly reflecting higher expense provisioning in a legacy entity.

The result before tax of the segment Other decreased to EUR -135 million from EUR -119 million in the second half of 2021, mainly due to lower non-operating items and the lower operating result.

Full-year 2022 operating capital generation was EUR -280 million compared with EUR -272 million in 2021, mainly reflecting a lower operating capital generation of the reinsurance business due to a hardening of the reinsurance market leading to a higher risk retention and higher project expenses, partly offset by lower debt servicing expenses.

The full-year 2022 operating result of the segment Other was EUR -172 million compared with EUR -157 million in 2021, mainly due to lower other results.

The full-year 2022 holding result was EUR -164 million compared with EUR -166 million in 2021, mainly reflecting higher investment income and fees, partly offset by higher holding expenses and higher interest on hybrids and debt.

The full-year 2022 operating result of the reinsurance business was EUR 12 million compared with EUR 11 million in 2021. The operating result for 2022 includes a EUR 4 million claim related to the storm in February and an EUR 8 million claim from a legacy portfolio, while 2021 included a EUR 9 million claim from a legacy portfolio and EUR 8 million of claims related to the floods in July 2021.

Other results in 2022 were EUR -20 million compared with EUR -3 million in 2021, mainly reflecting higher expense provisioning in a legacy entity.

The full-year 2022 result before tax of the segment Other was EUR 805 million compared with EUR -184 million in 2021, mainly reflecting the EUR 1,062 million gain on the sale of NN IP, partly offset by lower non-operating items and the lower operating result.



## **Consolidated Balance Sheet**

- Total assets of NN Group decreased by EUR 8.6 billion in the second half of 2022 to EUR 217.1 billion
- Shareholders' equity decreased by EUR 3.9 billion, reflecting lower revaluation reserves as a result of higher interest rates and the completion of the share buyback programmes

In EUR million	31 Dec 22	30 Jun 22	31 Dec 21		31 Dec 22	30 Jun 22	31 Dec 21
Assets				Equity and liabilities			
Cash and cash equivalents	6,670	6,234	6,929	Shareholders' equity (parent)	16,005	19,920	32,888
Financial assets at fair value through profit or loss				Minority interests	63	215	266
- investments for risk of policyholders	34,562	34,616	39,261	Undated subordinated notes	1,764	1,764	1,764
- non-trading derivatives	2,452	2,055	6,419	Total equity	17,832	21,899	34,918
- designated as at fair value through profit or loss	681	628	991	Subordinated debt	2,334	2,343	2,356
Available-for-sale investments	81,610	88,119	107,883	Debt securities issued	1,694	1,693	2,292
Loans	68,044	68,037	68,200	Other borrowed funds	11,118	9,318	7,301
Reinsurance contracts	1,019	1,075	954	Insurance and investment contracts	156,378	160,129	168,812
Associates and joint ventures	6,556	7,298	6,919	Customer deposits and other funds on deposit	16,235	16,160	15,945
Real estate investments	2,754	2,876	2,719	Financial liabilities at fair value through profit or loss			
Property and equipment	399	426	414	- non-trading derivatives	6,462	5,802	1,904
Intangible assets	1,624	1,575	1,129	Liabilities held for sale	0	2,571	3,464
Deferred acquisition costs	1,858	1,890	1,893	Deferred tax liabilities	423	702	4,817
Assets held for sale	0	2,719	4,121	Other liabilities	4,634	5,128	9,776
Deferred tax assets	904	184	47				
Other assets	7,977	8,013	3,706	Total liabilities	199,278	203,846	216,667
Total assets	217,110	225,745	251,585	Total equity and liabilities	217,110	225,745	251,585

### **Assets**

#### **Available-for-sale investments**

Available-for-sale investments decreased by EUR 6.5 billion in the second half of 2022 to EUR 81.6 billion, mainly reflecting negative revaluations on government bonds as a result of higher interest rates.

#### Assets held for sale

Assets held for sale decreased by EUR 2.7 billion in the second half of 2022 to nil, following the completion of the sale of a closed book life portfolio by NN Belgium.

## Liabilities

### Other borrowed funds

Other borrowed funds increased by EUR 1.8 billion in the second half of 2022 to EUR 11.1 billion, mainly due to repotransactions used for liquidity management purposes.

#### Insurance and investment contracts

Insurance and investment contracts decreased by EUR 3.8 billion in the second half of 2022 to EUR 156.4 billion. This was mainly driven by a decrease in deferred interest credited to policyholders as a result of higher interest rates.

### Liabilities held for sale

Liabilities held for sale decreased by EUR 2.6 billion in the second half of 2022 to nil, following the completion of the sale of a closed book life portfolio by NN Belgium.



## **Equity**

Shareholders' equity decreased by EUR 3.9 billion in the second half of 2022 to EUR 16.0 billion, mainly reflecting the negative impact of higher interest rates on the valuation of assets, while there is no impact on the valuation of liabilities as these are mostly accounted for at interest rates at inception. This accounting asymmetry results in unrealised revaluations in equity that are volatile from period to period. In addition, equity decreased due to the completion of the share buyback programmes for a total amount of EUR 1 billion.

In EUR million	FY22	1H22	FY21
Movement in shareholders' equity			
Shareholders' equity beginning of period	32,888	32,888	36,731
Net result for the period	1,562	2,006	3,278
Unrealised revaluations available-for-sale investments and other	-15,646	-12,056	-3,101
Realised gains/losses transferred to the profit and loss account	112	-292	-1,431
Change in cash flow hedge reserve	-5,942	-5,189	-3,383
Deferred interest credited to policyholders	4,986	3,488	1,861
Share of other comprehensive income of associates and joint ventures	9	4	-2
Exchange rate differences	-164	-173	-66
Remeasurement of the net defined benefit asset/liability	68	72	19
Capital contributions and change in share capital	0	0	0
Dividend	-413	-251	-412
Purchase/sale treasury shares	-1,391	-512	-545
Employee stock option & share plans	-6	-7	-2
Coupon on undated subordinated notes	-58	-58	-59
Other	0	0	0
Total changes	-16,883	-12,968	-3,843
Shareholders' equity end of period	16,005	19,920	32,888
In EUR million	31 Dec 22	30 Jun 22	31 Dec 21
Composition of total equity			
Share capital	35	37	38
Share premium	12,578	12,576	12,575
Revaluation reserve available-for-sale investments and other	-5,029	-3,283	5,585
Cash flow hedge reserve	2,895	3,648	8,837
Currency translation reserve	-300	-331	-181
Net defined benefit asset/liability remeasurement reserve	-51	-47	-119
Retained earnings and other reserves	5,877	7,320	6,153
Shareholders' equity (parent)	16,005	19,920	32,888
Minority interests	63	215	266
Undated subordinated notes	1,764	1,764	1,764
Total equity	17,832	21,899	34,918



## Footnotes reference page

- 1) NN Group analyses the change in the excess of Solvency II Own Funds over the Solvency Capital Requirement ('SCR') in the following components: Operating Capital Generation, Market variance, Capital flows and Other. 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) Operating result is an Alternative Performance Measure. This measure is derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the amortisation of acquisition intangibles, discontinued operations and special items, gains/losses and impairments, revaluations and market and other impacts. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance Measures (Non-GAAP measures)' in the NN Group N.V. 30 June 2022 Condensed consolidated interim financial information.
- 3) The solvency ratios are not final until filed with the regulators. The Solvency II ratios for NN Group and NN Life are based on the partial internal model.
- 4) 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.
- 5) 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.
- 6) 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.
- 7) Invest an additional EUR 6 billion in climate solutions to EUR 11 billion by 2030. The amount invested in climate solutions reflects the nominal value for green bonds, and the market value for certified green buildings, renewable infrastructure and other investments.
- 8) Contribution to communities by supporting financial, physical and/or mental well-being of 1 million people.
- 9) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 10) Excluding non-insurance businesses (health business and broker business).
- 11) The Common Equity Tier 1 (CET1) ratio, Total capital ratio and Risk Weighted Assets (RWA) are not final until filed with the regulators.
- 12) Other comprises CEE pension funds as well as broker and services companies.
- 13) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 14) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 15) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 16) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, divestments and capital transactions with shareholders and debtholders.
- 17) Includes revaluations on debt securities, on the cash flow hedge reserve and on the reserves crediting to life policyholders.
- 18) The fixed-cost coverage ratio measures the ability of NN Group to pay its fixed financing expenses and is defined as the earnings before interest and tax (EBIT) divided by interest before tax on financial leverage; calculated on a last 12-months basis. Special items, revaluations on derivatives that are non-eligible for hedge accounting, market and other impacts, amortisation of acquisition intangibles are excluded from EBIT.
- 19) The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio.
- 20) Assets under Management (AuM) DC business total includes both the AuM DC business in accumulation phase and AuM DC business in decumulation phase. For the latter the IFRS insurance liabilities are used as a proxy for the AuM.
- 21) Including non-insurance businesses (health business and broker business).
- 22) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 23) Following the sale of NN IP on 11 April 2022, the FY22 numbers reported for Asset Management reflect the results for the first quarter of
- 24) Operating expenses plus regulatory levies.
- 25) Cost/income ratio is calculated as Operating expenses divided by Operating income.
- 26) Four-quarter rolling average.
- 27) Net operating RoE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance Measures (Non-GAAP measures)' in the NN Group N.V. 30 June 2022 Condensed consolidated interim financial information.
- 28) Does not include interest costs on subordinated debt treated as equity.
- 29) Asset Management Assets under Management were zero at 31 Dec 2022 and 30 June 2022, following the sale of NN IP on 11 April 2022.



## **NN** Group profile

NN Group is an international financial services company, active in 11 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, banking and investments to approximately 20 million customers. NN Group includes Nationale-Nederlanden, NN, ABN AMRO Insurance, Movir, AZL, BeFrank, OHRA and Woonnu. NN Group is listed on Euronext Amsterdam (NN).

### Press call

David Knibbe (CEO), Annemiek van Melick (CFO) and Bernhard Kaufmann (CRO) will host a press call to discuss the 2H22 results at 07:45 am CET on Thursday 16 February 2023. Journalists can join the press call. Passcode: you will receive an e-mail containing the dial-in number and a personal PIN code upon registration via this link.

## **Analyst and investor call**

David Knibbe (CEO), Annemiek van Melick (CFO) and Bernhard Kaufmann (CRO) will host an analyst and investor conference call to discuss the 2H22 results at 10:00 am CET on Thursday 16 February 2023. Members of the investment community can follow the live audio webcast on NN Group - Investors (nn-group.com).

Analysts can participate in the Q&A by registering according to the following instructions:

- Register for the conference call online at link
- After registration, you will receive a confirmation e-mail containing the dial-in number and personal PIN code
- Use these details to dial in to the conference call

### Financial calendar

AGM: 2 June 2023

Publication 1H23 results: 29 August 2023

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## Additional information on www.nn-group.com

- NN Group 2H22 Financial Supplement, NN Group 2H22 Analyst Presentation, NN Group Company Profile and NN Group ESG presentation
- Photos of NN Group executives, buildings and events are available in our Media library (nn-group.com)

## Important legal information

Elements of this press release contain or may contain information about NN Group N.V. within the meaning of Article 7(1) to (4) of EU Regulation No 596/ 2014 (Market Abuse Regulation).

NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 of the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. Condensed consolidated interim financial information for the period ended 30 June 2022. The Annual Accounts for 2022 are in progress and may be subject to adjustments from subsequent events.

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) breakup of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.