

NN Group reports strong business and financial performance and increases targets

Strong operating capital generation and business performance driving increased returns to shareholders

- Continued strong business performance with full-year operating capital generation (OCG) rising 13% (excluding the asset management business that was sold in 2022) to EUR 1.9 billion in 2023, exceeding 2025 target of EUR 1.8 billion ahead of plan
- Increased OCG target to EUR 1.9 billion and free cash flow target of EUR 1.6 billion in 2025
- NN Group Solvency II ratio remains robust at 197% from 201% at 30 June 2023; unit-linked settlement agreement and attractive longevity deals have reduced the risk profile of the balance sheet
- Consequently, 15% step-up of 2023 total dividend to EUR 3.20 per share; structural increase of annual share buyback programme to EUR 300 million
- Full-year operating result was EUR 2.5 billion; full-year net result was EUR 1.2 billion

Solid business performance across the group

- Record net inflows of EUR 2.3 billion at our defined contribution pension business in 2023
- Continued growth momentum in Europe with higher sales in Central and Eastern Europe, most notably strong value of new business in Czech Republic, Poland and Hungary, despite macroeconomic uncertainties
- Continued strong and favourable business performance in Netherlands Non-life; combined ratio of 92.6%
- Banking continued to benefit from higher interest result
- Value of new business was EUR 330 million in 2023 versus EUR 432 million in 2022, reflecting lower sales in Japan

Consistent execution of strategy; progress in customer satisfaction and responsible investment

- Customer satisfaction scores continue upward trend with International Insurance business scoring above market average NPS-r; refined strategy to accelerate our digital transformation
- Employee engagement at 7.8, showing resilience in competitive labour market
- Continued progress in responsible investment with EUR 10.8 billion total investments in climate solutions by the end of 2023 and a 10% reduction of greenhouse gas (GHG) emissions of our corporate investment portfolio versus 2021 levels

Statement of David Knibbe, CEO

‘Today we are reporting strong results for the second half and full-year of 2023, driven by a solid performance despite the volatile macroeconomic and geopolitical environment. Full-year operating capital generation (OCG) rose 13% on a like-for-like basis to EUR 1.9 billion, exceeding our 2025 target of EUR 1.8 billion ahead of plan. This reflects increased contributions from Netherlands Non-life, Banking, the segment Other and Insurance Europe. Netherlands Non-life reported a continued strong and favourable business performance, while Insurance Europe and Banking benefitted from higher rates. This helped to offset a lower contribution from Netherlands Life which was mainly driven by the financial markets. While business growth is expected to return to normalised levels, we continue to expect underlying growth in the coming years. We have therefore increased our OCG target for 2025 to EUR 1.9 billion.

The strong results reflect the consistent execution of our strategy that focuses on our customers, employees and role in society. Customer satisfaction scores improved, driven by our customer engagement and digitalisation efforts. Our International business scored an above market average relational net promoter score, with strong underlying improvements in Belgium, Czech Republic, Japan and Poland. To further increase operational efficiencies and improve the customer experience in the coming years, we recently refined our strategy with a focus on accelerating our digital transformation through the use of data and artificial intelligence (AI).

We continued to support the transition towards a low-carbon economy. On the investment side, we invested a total amount of EUR 10.8 billion in climate solutions, such as certified green buildings and renewable energy. We also reported a 10% reduction of greenhouse gas emissions in our corporate investment portfolio, moving us towards

our goal of a 25% reduction by 2025 versus 2021 levels. On the insurance side, our Dutch Non-life business increasingly focuses on offering sustainable damage repair to our customers. This means we offer repair instead of complete replacement, where possible using circular materials and implementing measures such as offering customers the opportunity to upgrade their windows with insulated glass.

We took important steps to further optimise and de-risk our balance sheet, with two attractive longevity reinsurance transactions in December 2023 and a final settlement agreement on unit-linked life insurance products at the start of 2024.

Our strong business performance and balance sheet give us confidence in further growing our free cash flow (FCF), resulting in an FCF target of EUR 1.6 billion by 2025. This enables a step up of the proposed final dividend to EUR 2.08 per share, bringing the total dividend for 2023 to EUR 3.20 per share, an increase of 15% compared to 2022. We also announce a structural increase of our annual share buyback programme to an amount of EUR 300 million. From this higher base, we confirm our commitment of a progressive dividend per share, an annual share buyback of at least EUR 300 million and additional excess capital to be returned to shareholders unless used for value-creating opportunities.

Looking ahead, we are well-positioned to continue creating sustainable long-term value for our stakeholders. We would like to thank our customers and shareholders for their ongoing trust and loyalty, and our colleagues for their commitment in servicing our customers and other stakeholders.'

NN Group key figures

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Operating capital generation ¹⁾	904	812	11.3%	1,902	1,711	11.1%
Value of new business	134	176	-23.5%	330	432	-23.7%
Operating result ²⁾	1,128	1,226	-8.0%	2,528	2,350	7.6%
Net result	586	-107		1,172	1,634	-28.3%

	31 Dec 23	30 Jun 23	31 Dec 22
Solvency II ratio ³⁾	197%	201%	197%

Strategic key figures	31 Dec 23	30 Jun 23	31 Dec 22
Insurance businesses NPS compared with market average ⁴⁾			
NPS International businesses	above	on par	on par
NPS Netherlands businesses	on par	on par	on par
Employee engagement ⁵⁾	7.8	7.9	7.9
Women in senior management positions ⁶⁾	40%	39%	40%
Investments in climate solutions (in EUR billion) ⁷⁾	10.8	9.0	8.2
Contribution to our communities (cumulative number of people supported since 2022) ⁸⁾	401,000	293,000	229,000

Note: All footnotes are included on page 26

Delivering on our strategic commitments

At NN, we help people care for what matters most to them. Our purpose reflects the kind of company we aspire to be: one that delivers sustainable long-term value for all stakeholders. 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 our offering through new initiatives and partnerships

NN reached a final settlement with five interest groups regarding unit-linked insurance products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Levensverzekering. The settlement relates to all unit-linked insurance products of customers affiliated with one of the interest groups and is subject to a 90% acceptance rate of affiliated policyholders that have received an individual proposal for compensation. As part of the settlement, all pending (collective) proceedings with respect to unit-linked products against Nationale-

Nederlanden will be discontinued once the settlement is executed, which is anticipated ultimately 30 June 2025. The settlement also includes that no new legal proceedings may be initiated by the interest groups or their affiliated parties. With this settlement we provide clarity to our customers and can finally resolve this issue. To cover the settlement costs, a provision of EUR 360 million was recognised in the fourth quarter of 2023. This includes EUR 60 million for hardship cases and customers unaffiliated with one of the interest groups who have not previously received compensation.

Across NN, we are focusing on improving our customers' experience through the use of data and artificial intelligence (AI). Our Dutch brand OHRA uses a machine-learning model that automatically drafts email responses to customer claims, enabling faster claims payments. Across our international markets, we are using an AI-driven solution to personalise our product offering to existing customers and increase the effectiveness of tied agents in acquiring new customers. The solution has been implemented in Poland, Romania, Spain, Hungary and Greece.

As we continue to focus on improving and simplifying communications and interaction with our customers, NN Belgium introduced a pension passport, a physical booklet supported by a digital version. The tool summarises the Belgian state's pension annual statement in plain language, which increases customers' knowledge about their personal pension situation.

Improving customer engagement continues to be top priority, and we saw a continued upward trend of our relational net promoter scores (NPS-r), especially in Europe. On an aggregated level, the NPS of our Dutch business remained stable, scoring on par with market average, while our International business scored above market average for the first time, with strong underlying improvements in Belgium, Czech Republic, Japan and Poland.

Products and services – Meeting our customers' needs with new protection products

As we aim to support the transition to a sustainable society, our Dutch Non-life business started a series of initiatives for sustainable damage repairs. For example, following a successful pilot, we now offer retail customers the opportunity to upgrade to better insulated glass as the new standard for our home insurances, enabling them to save on energy consumption and reduce carbon emissions. In addition, OHRA announced its intention to make sustainable damage repair the norm for its customers, aiming for at least 65% sustainable recovery of claims on home insurance policies.

We continued our efforts to meet customers' evolving needs for protection. In Romania, we launched a critical illness insurance covering treatment abroad for cancer, cardiac surgery, neurosurgery and transplants. In Greece, we launched a health product to support customers in the case of hospitalisation, providing various allowances for hospital stay, surgery and home recuperation. The product is especially valuable for people living in small cities who do not have access to hospitals or the means to cover their hospital stay.

People and organisation – empowering our people to be their best

In our semi-annual survey carried out in the second half of 2023, employee engagement was 7.8, reflecting a slight decrease of 0.1 compared with the mid-year 2023 results. The survey results indicate our colleagues feel they have the right resources and support to successfully work in a hybrid setup, they feel their work is valued, and they feel connected with our values: care, clear, commit. Collaboration between departments and process efficiency continue to be areas of improvement and management is taking actions to look into this and correct course at a team level.

With a rapidly evolving macroeconomic and technological landscape, we must ensure our skills match our strategic needs. In light of this, we announced a programme for senior management to build the data and digital capabilities needed for the future. The programme will be further rolled out in the coming years for the wider workforce.

Financial strength – improved results and strong capital position

Full-year OCG rose 13% on a like-for-like basis to EUR 1.9 billion in 2023, exceeding our 2025 target of EUR 1.8 billion ahead of plan. We upgraded our target for OCG to EUR 1.9 billion, whilst introducing an FCF target of EUR 1.6 billion in 2025.

We announced a step up of the proposed final dividend to EUR 2.08 per share, bringing the total dividend for 2023 to EUR 3.20 per share, an increase of 15% compared to 2022. We also announced a structural increase of our annual share buyback programme to an amount of EUR 300 million.

NN Life completed two transactions to transfer the full longevity risk associated with in total approximately EUR 13 billion of pension liabilities in the Netherlands. The deals have reduced NN's exposure to longevity risk and thereby further strengthen NN's capital position. The unit-linked settlement has also further reduced the risk profile

of the balance sheet. At the end of December 2023, NN Group decided to inject EUR 1 billion into NN Life. The capital injection will cover for the unit-linked settlement provision whilst the remainder will be deployed according to NN Life's strategic asset allocation over time.

The NN Group Solvency II ratio at the end of 2023 was robust at 197% and the NN Life Solvency II ratio was 196%.

Society – further progress in responsible investment

We continued to make further progress in our responsible investment strategy. By the end of 2023, we recorded total investments of EUR 10.8 billion in climate solutions such as certified green buildings and renewable energy. We also reported a 10% reduction of greenhouse gas emissions of our corporate investment portfolio, moving us towards our goal of a 25% reduction by 2025 versus 2021 levels. In the coming years, we will continue to focus on our long-term decarbonisation strategy through a combination of a best-in-class approach and engagement to encourage and support decarbonisation in the companies we invest in.

In recognition of our efforts, NN Group was ranked as one of the top performing insurers in a key benchmark for responsible investment in the Netherlands. The Association of Investors for Sustainable Development (VBDO) awarded NN an absolute score of 4.1 out of 5 points, a slight improvement from the previous benchmark.

With EUR 20 million of charitable contributions, we supported more than 165 partners and met our goal of contributing 1% of our operating result before tax to our communities in 2023. Our group-wide community investment programme supported the financial, physical and/ or mental well-being of 172,000 people in 2023 (401,000 cumulative 2022-2023), putting us on track to reach our strategic target of supporting 1 million people by the end of 2025.

For the seventh consecutive year, NN Group was included in the Dow Jones Sustainability World Index (DJSI World) for 2023. According to the benchmark, NN ranks amongst the top 10% of the insurance sector globally with regard to our sustainability performance. Overall, NN scored 70 (out of 100), with the insurance sector averaging a score of 31.

Consolidated results

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Operating capital generation¹⁾						
Netherlands Life	502	561	-10.5%	1,025	1,142	-10.2%
Netherlands Non-life	206	136	51.4%	416	280	48.3%
Insurance Europe	203	190	6.7%	421	388	8.4%
Japan Life	39	41	-5.3%	107	115	-7.5%
Banking	63	24	164.2%	133	35	280.9%
Other	-109	-140		-200	-280	
Operating capital generation - excluding Asset Management	904	812	11.3%	1,902	1,681	13.1%
Asset Management ²³⁾	0	0		0	31	
Operating capital generation	904	812	11.3%	1,902	1,711	11.1%

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Netherlands Life	581	738	-21.3%	1,390	1,429	-2.7%
Netherlands Non-life	137	210	-34.7%	364	400	-9.2%
Insurance Europe	249	212	17.4%	468	397	17.7%
Japan Life	95	115	-17.0%	197	217	-9.0%
Banking	113	47	139.9%	226	96	135.4%
Other	-47	-95		-117	-189	
Operating result²⁾	1,128	1,226	-8.0%	2,528	2,350	7.6%
Non-operating items	78	-1,176		-524	-1,461	
of which gains/losses and impairments	-175	-58		-345	99	
of which revaluations	424	-1,120		94	-1,499	
of which market and other impacts	-171	2		-272	-61	
Special items	-418	-77		-462	-134	
Acquisition intangibles and goodwill	-14	-13		-29	-29	
Result on divestments	0	-78		19	984	-98.1%
Result before tax	774	-117		1,532	1,710	-10.4%
Taxation	182	-19		348	108	
Net result from discontinued operations	0	0		0	26	
Minority interests	7	9	-23.7%	13	-6	
Net result	586	-107		1,172	1,634	-28.3%
Basic earnings per ordinary share in EUR	2.04	-0.47		4.04	5.33	-24.2%

Key figures

Gross premiums written	5,943	5,961	-0.3%	13,187	13,478	-2.2%
New sales life insurance (APE)	486	521	-6.8%	1,229	1,339	-8.3%
Value of new business	134	176	-23.5%	330	432	-23.7%
Administrative expenses	1,132	1,140	-0.7%	2,206	2,138	3.2%
Combined ratio (Netherlands Non-life) ¹⁰⁾	95.0%	91.2%		92.6%	92.3%	

In EUR billion	31 Dec 23	30 Jun 23	Change	31 Dec 23	31 Dec 22	Change
Key figures						
Life general account invested assets	122	122	0.1%	122	125	-2.4%
Total liabilities for insurance, reinsurance, investment contracts	149	146	1.9%	149	144	3.0%
of which for risk policyholder	38	34	11.9%	38	36	4.5%
Solvency II ratio ³⁾	197%	201%		197%	197%	
NN Life Solvency II ratio ³⁾	196%	190%		196%	191%	
NN Bank CET1 ratio ¹¹⁾	16.5%	15.8%		16.5%	15.3%	
Total assets	209	205	1.9%	209	207	0.9%
Employees (internal FTEs, end of period)	15,442	15,356	0.6%	15,442	15,258	1.2%

- Full-year 2023 OCG increased by 13.1% to EUR 1,902 million from EUR 1,681 million in 2022 on a like-for-like basis, driven by strong business performance in Netherlands Non-life, Banking, the segment Other and Insurance Europe. Netherlands Life had a lower contribution mainly due to negative market impacts.
- Full-year 2023 operating result increased to EUR 2,528 million from EUR 2,350 million in 2022
- Value of new business for full-year 2023 was down 23.7% to EUR 330 million compared with 2022, mainly driven by lower sales of cash value insurance products at Japan Life

Operating capital generation

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Investment return	605	677	-10.6%	1,226	1,379	-11.1%
Life - UFR drag	-58	-132		-163	-450	
Life - Risk margin release	124	129	-3.8%	250	294	-15.1%
Life - Experience variance	-13	-36		14	35	-58.4%
Life - New business	72	79	-8.4%	180	180	0.1%
Non-life underwriting	165	122	35.5%	329	217	51.6%
Non-Solvency II entities (Japan Life, Banking, Other ¹²)	142	102	39.3%	333	263	26.6%
Holding expenses and debt costs	-148	-138		-293	-282	
Change in SCR	16	10	57.4%	26	45	-41.5%
Operating capital generation - excluding Asset Management	904	812	11.3%	1,902	1,681	13.1%
Asset Management ²³⁾	0	0		0	31	
Operating capital generation	904	812	11.3%	1,902	1,711	11.1%

NN Group's OCG increased to EUR 904 million from EUR 812 million in the second half of 2022. This increase was driven by strong business performance in Netherlands Non-life supported by favourable pricing and a higher interest rate environment, whereas 2022 was negatively impacted by a significantly hardening reinsurance market. OCG also increased for Banking where the net interest margin benefited from policy actions taken by the European Central Bank (ECB) and lower capital consumption due to a slowed mortgage market. Furthermore, 2023 showed favourable results in the reinsurance business and continued strong underlying growth in the Insurance Europe segment. Netherlands Life had a lower contribution mainly due to negative market impacts and Japan Life was broadly flat.

Full-year 2023 OCG increased by 13.1% to EUR 1,902 million from EUR 1,681 million in 2022. The increase in OCG reflects higher contributions from Netherlands Non-life, Banking, the segment Other and Insurance Europe, despite a lower contribution from Netherlands Life driven by markets.

Operating result

The operating result decreased to EUR 1,128 million from EUR 1,226 million in the second half of 2022, mainly driven by a lower investment result at Netherlands Life and a lower contractual service margin (CSM) release of the Group Income portfolio at Netherlands Non-life, partly offset by a higher interest result at Banking, an improved operating result of the reinsurance business and a higher profit margin at Insurance Europe. The combined ratio of Netherlands Non-life increased to 95.0% from 91.2%, mainly reflecting the aforementioned lower CSM release, partly offset by strong business performance.

The full-year 2023 operating result increased to EUR 2,528 million from EUR 2,350 million in 2022, mainly driven by a higher interest result at Banking, and a higher profit margin and investment result at Insurance Europe, and an improved operating result of the reinsurance business. This was partly offset by a lower technical result at Netherlands Life, mainly reflecting a lower risk adjustment release as a result of higher interest rates, and a lower result at Netherlands Non-life reflecting a change to the CSM release pattern.

Result before tax

The result before tax increased to EUR 774 million from EUR -117 million in the second half of 2022, primarily due to higher non-operating items, partly offset by higher special items and the lower operating result.

Gains/losses and impairments decreased to EUR -175 million in the second half of 2023 from EUR -58 million in the same period in 2022. The current half-year mainly reflects losses on sale of debt securities at Netherlands Life.

Revaluations amounted to EUR 424 million versus EUR -1,120 million in the second half of 2022. The current half-year includes EUR 617 million of positive revaluations of derivatives used for hedging purposes, mainly reflecting accounting asymmetries and EUR 260 million of negative revaluations on real estate.

Market and other impacts amounted to EUR -171 million compared with EUR 2 million in the second half of 2022, mainly reflecting non-operating losses on onerous contracts including assumption changes.

Special items amounted to EUR -418 million compared with EUR -77 million in the second half of 2022, mainly reflecting a provision of EUR 360 million related to the final settlement with interest groups on unit-linked insurance products.

The result on divestments was EUR 0 million compared with EUR -78 million in the second half of 2022, which mainly reflects the result of the sale of a closed book life portfolio by NN Belgium.

The full-year 2023 result before tax decreased to EUR 1,532 million from EUR 1,710 million in 2022. The decrease mainly reflects the gain on the sale of NN Investment Partners (NN IP) in 2022, negative revaluations on real estate, losses on sale of debt securities as well as the impact of the final settlement with interest groups on unit-linked insurance products, partly offset by positive revaluations on derivatives.

Net result

The net result in the second half of 2023 increased to EUR 586 million from EUR -107 million in the second half of 2022. The effective tax rate (ETR) in the second half of 2023 was 23.5%, mainly reflecting tax-exempt investment results.

The full-year 2023 net result was EUR 1,172 million compared with EUR 1,634 million in 2022. The effective tax rate for the full-year 2023 was 22.7%, mainly reflecting tax-exempt investment results.

Sales and value of new business

Total new sales (APE) were EUR 486 million versus EUR 521 million in the second half of 2022. At Japan Life, new sales decreased to EUR 50 million from EUR 112 million in the second half of 2022, mainly driven by lower sales of cash value insurance products following a business improvement order from the local regulator. This was partly offset by increased new sales at Insurance Europe to EUR 379 million from EUR 346 million in the second half of 2022, up 10.0% on a constant currency basis, driven by higher sales across the region.

Value of new business was EUR 134 million versus EUR 176 million in the second half of 2022, mainly reflecting lower value of new business at Japan Life, which was EUR 24 million compared with EUR 61 million in the second half of 2022, mainly driven by lower sales of cash value insurance products.

For full-year 2023, total APE decreased to EUR 1,229 million versus EUR 1,339 in 2022, mainly due to lower sales of cash value insurance products at Japan Life, partly offset by increased new sales at Insurance Europe, up 9.5% on a constant currency basis, driven by higher sales across the region.

Value of new business for full-year 2023 of EUR 330 million, down 23.7% on 2022, mainly driven by lower sales of cash value insurance products at Japan Life.

Capital Management

- Solvency II ratio of NN Group decreased to 197% from 201% at the end of the first half of 2023, mainly due to adverse market impacts, the deduction of the proposed 2023 final dividend and recognition of the provision for the settlement agreement on unit-linked insurance policies, partly offset by the positive impact of the longevity reinsurance transactions and operating capital generation
- Cash capital position at the holding decreased to EUR 971 million from EUR 1,918 million at the end of the first half of 2023, reflecting capital flows to shareholders, a capital injection of EUR 1 billion into NN Life, partly offset by EUR 832 million of remittances from subsidiaries
- Financial flexibility given remaining tiering capacity
- 2023 final dividend proposal of EUR 2.08 per ordinary share, bringing the full-year 2023 dividend to EUR 3.20 per ordinary share, up 15% on 2022
- Structural increase of annual share buyback programme to EUR 300 million

Solvency II

In EUR million	31 Dec 23	30 Jun 23	31 Dec 22
Basic Own Funds	18,685	19,397	19,237
Non-available Own Funds	896	1,095	1,415
Non-eligible Own Funds	98	0	0
Eligible Own Funds (a)	17,691	18,302	17,822
of which Tier 1 Unrestricted	10,388	11,515	10,904
of which Tier 1 Restricted	1,414	1,395	1,716
of which Tier 2	2,631	2,494	2,189
of which Tier 3	1,144	908	910
of which non-solvency II regulated entities	2,113	1,991	2,104
Solvency Capital Requirements (b)	8,990	9,090	9,040
of which non-solvency II regulated entities	1,362	1,397	1,363
NN Group Solvency II ratio (a/b)³⁾	197%	201%	197%
NN Life Solvency II ratio³⁾	196%	190%	191%

The NN Group Solvency II ratio decreased to 197% from 201% at the end of the first half of 2023, mainly due to adverse market impacts, the deduction of the proposed 2023 final dividend and recognition of the provision for the settlement agreement on unit-linked insurance policies. These items were partly offset by the positive impact of the longevity reinsurance transactions executed by NN Life in December 2023 and operating capital generation. 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 196% from 190% at the end of the first half of 2023, mainly driven by the positive impact of the longevity reinsurance transactions, the EUR 1 billion capital injection from the holding company and operating capital generation. These items were partly offset by the aforementioned adverse market impacts, regular dividend payments to the holding company as well as other impacts including recognition of the provision for the final settlement agreement on unit-linked insurance policies. NN Group injected EUR 1 billion into NN Life to cover for the provision that was recognised for the cost of the final settlement on unit-linked insurance products, as well as to improve the use of capital within the group by deploying the remainder according to NN Life's strategic asset allocation over time.

NN Group has financial flexibility given its remaining tiering capacity of EUR 1.2 billion in Restricted Tier 1 and EUR 0.1 billion in Tier 2 capital. The decrease of the tiering capacity compared with the end of the first half of 2023 was mainly due to the aforementioned market impacts.

Cash capital position at the holding company

In EUR million	2H23	2H22	FY23	FY22
Beginning of period	1,918	2,467	2,081	1,998
Remittances from subsidiaries ¹³⁾	832	793	1,855	1,753
Capital injections into subsidiaries ¹⁴⁾	-1,099	-540	-1,117	-545
Other ¹⁵⁾	-95	-96	-267	-315
Free cash flow to the holding¹⁶⁾	-362	158	470	893
Cash divestment proceeds	0	0	0	1,626
Acquisitions	-10	0	-20	-524
Capital flows to shareholders	-575	-1,038	-1,053	-1,806
Increase / (decrease) in debt and loans	0	494	-507	-106
End of period	971	2,081	971	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 971 million from EUR 1,918 million at the end of the first half of 2023. This reflects capital injections mainly into NN Life and NN Spain and capital flows to shareholders, partly offset by remittances from subsidiaries. Capital flows to shareholders comprise the 2023 interim cash dividend of EUR 163 million and the repurchase of EUR 412 million of own shares.

The injection into NN Life covers for the provision related to the final settlement agreement on unit-linked policies, whilst the remainder will be deployed according to NN Life's strategic asset allocation over time.

Adjusting for the capital injections into NN Life and NN Spain in the second half of 2023 and the one-off dividend from NN Life Belgium in the first half of 2023 following the closing of the sale of the back book, the free cash flow to the holding was EUR 698 million in the second half of 2023 and EUR 1,410 million in full-year 2023.

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. The intercompany loan was reflected in the line capital injections. 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 in full-year 2022.

Financial leverage

In EUR million	31 Dec 23	30 Jun 23	31 Dec 22
Shareholders' equity	19,624	19,374	19,265
Contractual service margin after tax ¹⁷⁾	4,861	4,909	4,858
Minority interests	79	76	73
Capital base for financial leverage (a)	24,564	24,360	24,196
Undated subordinated notes ¹⁹⁾	1,416	1,416	1,764
Subordinated debt	2,680	2,663	2,334
Total subordinated debt	4,096	4,080	4,098
Debt securities issued	1,195	1,195	1,694
Financial leverage (b)	5,291	5,274	5,792
Financial leverage ratio (b/(a+b))	17.7%	17.8%	19.3%
Fixed-cost coverage ratio ¹⁸⁾¹⁹⁾	8.7x	5.9x	9.5x

The financial leverage ratio of NN Group was broadly stable at 17.7% from 17.8% at the end of the first half of 2023.

The fixed-cost coverage ratio (on the basis of the last 12 months) increased to 8.7x at the end of 2023 from 5.9x at the end of the first half of 2023. This mainly reflects higher revaluations on debt and equity securities.

Dividend

At the annual general meeting on 24 May 2024, a final dividend will be proposed of EUR 2.08 per ordinary share, or approximately EUR 570 million in total based on the current number of outstanding shares (net of treasury shares). 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 approved by the General Meeting, NN Group ordinary shares will be quoted ex-dividend on 28 May 2024. The record date for the dividend will be 29 May 2024. The election period will run from 30 May up to and including 13 June 2024. 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 7 June through 13 June 2024. The dividend will be payable on 20 June 2024. (For more information: [NN Group – Dividend policy and dividend history \(nn-group.com\)](#)).

On 25 September 2023, NN Group paid an interim dividend of EUR 1.12 per ordinary share, which was calculated in accordance with the NN Group dividend policy. The proposed 2023 final dividend of EUR 2.08 per ordinary share plus the 2023 interim dividend of EUR 1.12 per ordinary share gives a total dividend for 2023 of EUR 3.20 per ordinary share.

As of the payment of the 2024 interim dividend, NN Group intends to pay dividends in cash only, after deduction of withholding tax if applicable. However, NN Group will keep the discretion to make dividend payments solely in ordinary shares or offer the shareholder a choice between cash or stock dividends, if appropriate under the prevailing circumstances.

Share buyback

NN Group announced today that it will execute an open market share buyback programme for an amount of EUR 300 million. The programme will be executed within nine months and is anticipated to commence on 2 April 2024. The share buyback will be deducted in full from Solvency II Own Funds in the first half of 2024 and is estimated to reduce NN Group's Solvency II ratio by approximately 3%-points. In addition, 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 2 June 2023 and such authority to be granted by the General Meeting on 24 May 2024. 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 16 February 2023, NN Group announced that it would execute an open market share buyback programme for an amount of EUR 250 million within 12 months, commencing on 1 March 2023. This share buyback programme was completed on 9 October 2023.

NN Group neutralised the dilutive effect of the 2022 final dividend that was paid in the form of ordinary shares for a total amount of EUR 235 million and the 2023 interim dividend that was paid in the form of ordinary shares for a total amount of EUR 146 million. These share buyback programmes were completed on 25 August 2023 and 6 October 2023 respectively.

NN Group reports on the progress of the share buyback programmes on its corporate website on a weekly basis. (For more information: [NN Group – Share buyback programmes \(nn-group.com\)](#)).

Share capital

On 25 August 2023, 10,000,000 NN Group treasury shares which were repurchased under the share buyback programmes were cancelled.

The total number of NN Group shares outstanding (net of 11,134,193 treasury shares) on 23 February 2024 was 273,865,807.

Credit ratings

On 21 December 2023, Standard & Poor's raised NN Group's financial strength rating to 'A+' from 'A' and its credit rating to 'A-' from 'BBB+' with a stable outlook.

On 22 November 2023, 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 28 February 2024	Financial Strength Rating	NN Group N.V. Counterparty Credit Rating
Standard & Poor's	A+ Stable	A- Stable
Fitch	AA- ³⁰⁾ Stable	A+ Stable

Netherlands Life

Full-year OCG decreased mainly due to financial markets. Assets under management DC showed record net inflows of EUR 2.3 billion to EUR 32.7 billion.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Profit margin	87	83	4.4%	180	147	22.6%
Technical result	24	69	-65.4%	60	126	-52.8%
Service expense result	-32	-38		-14	-19	
Other insurance and reinsurance result	0	0		0	1	
Insurance and reinsurance result	78	115	-32.2%	225	255	-11.6%
Investment result	583	678	-14.1%	1,278	1,314	-2.7%
Other result	-71	-54		-109	-143	
Operating result insurance businesses	590	739	-20.2%	1,395	1,425	-2.1%
Operating result non-insurance businesses	-9	-2		-5	4	
Total operating result²⁾	581	738	-21.3%	1,390	1,429	-2.7%
Non-operating items	274	-1,010		-154	-1,068	
of which gains/losses and impairments	-163	-51		-311	118	
of which revaluations	511	-947		225	-1,173	
of which market and other impacts	-74	-12		-68	-13	
Special items	-395	-18		-413	-32	
Result on divestments	0	0		0	0	
Result before tax	459	-290		823	329	149.8%
Taxation	99	-25		166	29	
Minority interests	0	9		-1	0	
Net result	361	-274		657	301	118.5%
New business						
Single premiums	282	268	5.3%	585	528	10.8%
Regular premiums	28	36	-22.2%	274	300	-8.9%
New sales life insurance (APE)	57	63	-10.6%	332	353	-5.9%
Value of new business	6	10	-36.7%	46	53	-13.5%
Key figures						
Operating capital generation ¹⁾	502	561	-10.5%	1,025	1,142	-10.2%
Gross premiums written	1,761	1,622	8.6%	3,394	3,417	-0.7%
Administrative expenses	228	250	-8.9%	440	465	-5.4%
In EUR billion						
Key figures						
Life general account invested assets	96	95	1.1%	96	96	-0.3%
Assets under Management DC business total ²⁰⁾	32.7	30.2	8.2%	32.7	27.8	17.6%
Total liabilities for insurance, reinsurance, investment contracts	105	102	2.7%	105	101	4.1%
of which for risk policyholder	28	25	10.8%	28	28	-1.4%
NN Life Solvency II ratio ³⁾	196%	190%		196%	191%	
Employees (internal FTEs, end of period)	2,045	1,980	3.3%	2,045	2,041	0.2%

Full-year 2023 OCG decreased to EUR 1,025 million from EUR 1,142 million in 2022, mainly driven by a lower investment return, SCR release and new business contribution as well as less favourable experience variances. This was partly offset by the higher net positive impact of the UFR drag and risk margin release as a result of higher interest rates.

The operating result decreased to EUR 1,390 million from EUR 1,429 million in 2022. This was mainly due to a lower technical result and investment result, partly offset by a higher profit margin and other result. The profit margin increased due to a higher CSM release, and lower losses on onerous contracts. The lower technical result mainly reflects a lower risk adjustment release as a result of higher interest rates, whereas the 2022 technical result included a positive claim variance.

The result before tax increased to EUR 823 million compared with EUR 329 million in 2022. The increase mainly reflects positive revaluations on derivatives used for hedging purposes reflecting accounting asymmetries which were negative in 2022, partly offset by lower revaluations on real estate in 2023. In addition, 2023 reflects lower gains/losses on the sale of government bonds, lower markets and other impacts as well as material special items reflecting the provision of EUR 360 million for the final settlement with interest groups on unit-linked insurance products.

New sales (APE) were EUR 332 million compared to EUR 353 million in 2022, mainly driven by a lower volume of group pension contracts.

Assets under management DC increased to EUR 32.7 billion compared with EUR 27.8 billion at 31 December 2022, mainly driven by strong net inflows of EUR 2.3 billion and favourable market movements.

Netherlands Non-life

Full-year OCG increased to EUR 416 million from EUR 280 million in 2022, reflecting the continued strong business performance, supported by a solid pricing environment and benign weather in P&C as well as favourable experience variances in Group Income. The combined ratio was 92.6%, within the guidance of 91-93%.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Insurance revenue, net of reinsurance	1,812	1,809	0.1%	3,665	3,663	0.1%
Claims incurred, net of reinsurance	1,204	1,141	5.5%	2,369	2,342	1.2%
Commissions	331	313	5.7%	661	677	-2.3%
Insurance expenses	126	131	-4.0%	245	241	1.3%
Insurance and reinsurance result	151	224	-32.6%	390	403	-3.1%
Investment result	44	56	-21.1%	82	111	-25.6%
Other expenses not attributed to insurance result	61	65	-5.1%	117	122	-4.2%
Other result	-3	-9		-8	-9	
Operating result insurance businesses	131	207	-36.9%	347	381	-9.0%
Operating result non-insurance businesses	7	3	102.7%	17	19	-12.2%
Total operating result²⁾	137	210	-34.7%	364	400	-9.2%
Non-operating items	13	-46		-17	-87	
of which gains/losses and impairments	0	-8		-14	-12	
of which revaluations	13	-32		1	-68	
of which market and other impacts	0	-6		-4	-8	
Special items	-3	-12		-7	-22	
Result on divestments	0	0		0	0	
Result before tax	148	153	-3.3%	340	291	16.6%
Taxation	45	36		91	69	
Minority interests	8	0		14	-5	
Net result	95	116	-18.7%	235	227	3.1%
Key figures						
Operating capital generation ¹⁾	206	136	51.4%	416	280	48.3%
Gross premiums written	1,445	1,447	-0.2%	3,843	3,774	1.9%
Administrative expenses ²¹⁾	293	291	0.7%	573	562	1.9%
Combined ratio ¹⁰⁾	95.0%	91.2%		92.6%	92.3%	
of which Claims ratio ¹⁰⁾	66.4%	63.1%		64.6%	63.9%	
of which Expense ratio ¹⁰⁾	28.6%	28.1%		27.9%	28.4%	

In EUR billion	31 Dec 23	30 Jun 23	Change	31 Dec 23	31 Dec 22	Change
Key figures						
Total insurance liabilities	6	7	-3.2%	6	6	4.6%
Employees (internal FTEs, end of period)	4,152	4,195	-1.0%	4,152	4,125	0.6%

Full-year 2023 OCG increased to EUR 416 million from EUR 280 million in 2022, reflecting the continued strong business performance, supported by a solid pricing environment and benign weather in Property & Casualty (P&C) as well as favourable experience variances in Group Income, and a higher investment margin due to higher interest rates. 2022 included the negative impact of the February 2022 storm and the hardening of the reinsurance market.

Operating result decreased to EUR 364 million from EUR 400 million in 2022, mainly reflecting a lower CSM release, partly offset by strong underwriting results in P&C. The combined ratio for 2023 was 92.6% and within the guidance of 91-93%. This mainly reflects the strong and persistent underlying business performance.

The insurance result in P&C reflects a lower negative impact from provisioning for the impact of higher inflation, higher bodily injury claims and lower claims relating to windstorms than in 2022. The combined ratio of P&C improved to 91.5% from 93.4% in 2022.

The combined ratio of Disability increased to 95.2% from 89.8% in 2022, mainly reflecting the aforementioned lower CSM release.

The result before tax increased to EUR 340 million from EUR 291 million in 2022, reflecting higher non-operating items and lower special items, partly offset by the lower operating result. Special items mainly reflect project expenses.

Insurance Europe

Full-year OCG increased to EUR 421 million from EUR 388 million in 2022, mainly reflecting strong business performance and underlying organic growth. Commercial performance in Central and Eastern Europe was strong.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Profit margin	169	128	31.6%	315	245	28.8%
Technical result	23	21	13.1%	26	28	-5.9%
Service expense result	-8	-3		-9	13	
Other insurance and reinsurance result	-2	-1		-1	1	
Insurance and reinsurance result	183	145	26.4%	331	286	15.7%
Investment result	86	81	5.2%	163	122	33.7%
Other result	-48	-39		-88	-80	
Operating result insurance businesses	220	187	17.6%	407	328	24.0%
Operating result non-insurance businesses	29	25	15.7%	61	69	-12.1%
Total operating result²⁾	249	212	17.4%	468	397	17.7%
Non-operating items	-161	-71		-265	-161	
of which gains/losses and impairments	1	11	-91.7%	-5	3	
of which revaluations	-35	-76		-79	-132	
of which market and other impacts	-127	-6		-182	-33	
Special items	-9	-25		-23	-38	
Acquisition intangibles and goodwill	-1	-1		-2	-2	
Result on divestments	0	-78		19	-78	
Result before tax	78	36	113.5%	196	118	66.0%
Taxation	14	9		38	30	
Minority interests	0	0	-91.0%	0	0	-57.4%
Net result	64	27	133.5%	158	87	80.7%
New business						
Single premiums	544	511	6.5%	1,169	1,146	2.0%
Regular premiums	325	295	10.1%	655	597	9.8%
New sales life insurance (APE)	379	346	9.6%	772	711	8.6%
Value of new business	105	105	-0.0%	219	231	-5.5%
Key figures						
Operating capital generation ¹⁾	203	190	6.7%	421	388	8.4%
Gross premiums written	1,723	1,602	7.6%	3,460	3,215	7.6%
Administrative expenses	312	298	5.0%	596	530	12.4%

In EUR billion	31 Dec 23	30 Jun 23	Change	31 Dec 23	31 Dec 22	Change
Key figures						
Life general account invested assets	11	12	-6.3%	11	12	-5.8%
Total liabilities for insurance, reinsurance, investment contracts	22	21	3.8%	22	20	9.3%
of which for risk policyholder	9	8	17.8%	9	7	30.3%
Assets under Management Pensions ²²⁾	28	25	10.0%	28	26	9.4%
Employees (internal FTEs, end of period)	5,249	5,227	0.4%	5,249	5,241	0.2%

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



Full-year 2023 OCG increased to EUR 421 million from EUR 388 million in 2022, mainly reflecting strong business performance and underlying organic growth.

Value of new business decreased to EUR 219 million from EUR 231 million in 2022. This reflects higher value of new business in Central and Eastern Europe, most notably in Czech Republic, Poland and Hungary, which was more than offset by the pension legislation changes introduced in Slovakia as well as unfavourable assumption changes mainly related to Belgium.

Operating result increased to EUR 468 million to EUR 397 million in 2022, up 15.8.% on a constant currency basis. This was mainly driven by higher interest rates impacting the profit margin and investment result. The profit margin also benefitted from lower losses on onerous contracts. This was partly offset by a lower service expense result.

The result before tax 2023 increased to EUR 196 million from EUR 118 million in 2022. This is mainly driven by a higher operating result and less negative revaluations. This was partly offset by negative market and other impacts including assumption changes, while 2022 included a divestment loss following the sale of a closed book life portfolio by NN Belgium.

Japan Life

Excluding currency effects, the full-year OCG increased by 2.3%. Lower value of new business following a business improvement order from the local regulator and to a lesser extent negative currency impacts.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Profit margin	69	96	-28.3%	156	181	-13.5%
Technical result	20	10	106.2%	22	9	150.4%
Service expense result	1	4	-84.1%	7	12	-41.1%
Other insurance and reinsurance result	0	0		0	0	
Insurance and reinsurance result	89	109	-18.6%	185	202	-8.1%
Investment result	26	24	6.3%	49	49	1.6%
Other result	-20	-19		-37	-33	
Operating result²⁾	95	115	-17.0%	197	217	-9.0%
Non-operating items	-34	-44		-68	-96	
of which gains/losses and impairments	-9	-6		-12	-8	
of which revaluations	-41	-45		-73	-95	
of which market and other impacts	17	6	163.5%	17	6	162.6%
Special items	0	-2		-1	-3	
Result on divestments	0	0		0	0	
Result before tax	61	69	-11.5%	129	118	9.7%
Taxation	14	20		32	33	
Minority interests	0	0		0	0	
Net result	47	49	-3.0%	97	85	14.4%
New business						
Single premiums	0	0		0	0	
Regular premiums	50	112	-55.2%	124	275	-54.8%
New sales life insurance (APE)	50	112	-55.2%	124	275	-54.8%
Value of new business	24	61	-61.6%	65	148	-56.0%
Key figures						
Operating capital generation ¹⁾	39	41	-5.3%	107	115	-7.5%
Gross premiums written	1,000	1,270	-21.3%	2,464	3,040	-18.9%
Administrative expenses	62	64	-3.3%	118	125	-5.3%
In EUR billion						
Key figures						
Life general account invested assets	13	13	-2.2%	13	15	-13.2%
Total liabilities for insurance, reinsurance, investment contracts	14	14	-3.6%	14	16	-11.0%
of which for risk policyholder	0	0	4.9%	0	0	7.7%
Employees (internal FTEs, end of period)	975	965	1.0%	975	937	4.1%

Note: For data in constant currencies, refer to the 'NN Group Financial Supplement: 2.5. Analysis of results: Japan Life – Excluding currency effects'

Full-year 2023 OCG decreased to EUR 107 million from EUR 115 million in 2022, mainly due to the impact of negative currency impacts. Excluding currency effects, the full-year OCG increased by 2.3%. The lower new business strain was partly offset by the impact of a reinsurance transaction, a lower surrender profit and higher hedge costs.

Value of new business was EUR 65 million, down from EUR 148 million in 2022, mainly driven by lower sales of cash value insurance products following a business improvement order from the local regulator and to a lesser extent negative currency impacts.

Operating result decreased to EUR 197 million from EUR 217 million in 2022, due to negative currency impacts.

The result before tax increased to EUR 129 million from EUR 118 million in 2022. This was driven by higher non-operating items, mainly reflecting less negative revaluation results.

Banking

Full-year OCG was EUR 133 million compared with EUR 35 million in 2022, mainly reflecting a higher interest result.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Interest result	202	144	40.0%	401	270	48.8%
Commission income	26	22	22.2%	52	48	7.7%
Total investment and other income	18	18	-2.4%	36	36	-0.8%
Operating income	246	184	33.7%	489	354	38.2%
Operating expenses	131	127	3.7%	250	232	7.7%
Regulatory levies	4	9	-55.1%	18	27	-32.1%
Addition to loan loss provision	-3	1		-5	-1	
Total expenses	133	137	-2.9%	263	258	1.9%
Operating result²⁾	113	47	139.9%	226	96	135.4%
Non-operating items	-21	-1		-29	9	
of which gains/losses and impairments	0	0		0	0	
of which revaluations	-8	0		-8	0	
of which market and other impacts	-13	-1		-21	9	
Special items	0	0		-1	-1	
Result before tax	92	46	100.9%	196	105	88.0%
Taxation	24	12		51	27	
Minority interests	0	0		0	0	
Net result	68	34	100.9%	146	78	88.0%
Key figures						
Operating capital generation ¹⁾	63	24	164.2%	133	35	280.9%
Administrative expenses ²⁴⁾	136	136	-0.2%	268	259	3.6%
Cost/income ratio ²⁵⁾	53.5%	68.9%		51.1%	65.6%	
Net Interest Margin (NIM) ²⁶⁾	1.64%	1.12%				
Net operating RoE ²⁷⁾	18.7%	9.1%		19.5%	9.1%	

In EUR billion	31 Dec 23	30 Jun 23	Change	31 Dec 23	31 Dec 22	Change
Key figures						
NN Bank CET1 ratio ¹¹⁾	16.5%	15.8%		16.5%	15.3%	
Total capital ratio ¹¹⁾	17.8%	17.1%		17.8%	16.7%	
Risk Weighted Assets (RWA) ¹¹⁾	6	6	0.6%	6	6	1.1%
Savings and deposits	16	16	1.0%	16	16	1.5%
Mortgages	23	22	1.8%	23	22	3.2%
Total assets	25	24	2.8%	25	24	4.4%
Employees (internal FTEs, end of period)	1,046	1,036	1.0%	1,046	1,006	4.0%

Full-year 2023 OCG was EUR 133 million compared with EUR 35 million in 2022, mainly reflecting a higher statutory net result and a lower strain from capital requirements. The higher statutory net result is mainly driven by a higher interest result. The lower strain from capital requirements is mainly the result of lower portfolio growth and a higher proportion of state-guaranteed mortgages (NHG), which is only partly offset by the negative impact of house prices. The total capital ratio target for Banking is expected to increase by 1% in 2024 as a result of the upcoming increase of the Counter Cyclical Buffer.

Net operating Return on Equity (RoE) increased to 19.5% compared with 9.1% in 2022, reflecting a higher net operating result. Operating result increased to EUR 226 million from EUR 96 million in 2022, benefiting from a delayed pass-through on savings accounts as a result of swift policy rate action undertaken by the ECB.

The cost/income ratio decreased to 51.1% compared with 65.6% in 2022. The decrease mainly reflects the higher operating income, partly offset by higher administrative expenses.

The quality of the mortgage portfolio continues to be strong with a non-performing loans ratio of 0.4%. NHG share at the end of 2023 was 32% of Banking's mortgage portfolio.

The result before tax increased to EUR 196 million from EUR 105 million in 2022, mainly driven by a higher operating result, partly offset by lower non-operating items.

Other

Full-year OCG was exceptionally strong at EUR -200 million, compared with EUR -280 million in 2022, driven by higher interest rates and strong results of the reinsurance business.

In EUR million	2H23	2H22	Change	FY23	FY22	Change
Analysis of results						
Interest on hybrids and debt ²⁸⁾	-79	-63		-148	-117	
Investment income and fees	109	89	22.5%	219	152	44.3%
Holding expenses	-108	-102		-230	-206	
Amortisation of intangible assets	0	0		0	0	
Holding result	-78	-75		-160	-171	
Operating result reinsurance business	44	-8		55	-4	
Other results	-13	-12		-13	-14	
Operating result²⁾	-47	-95		-117	-189	
Non-operating items	8	-3		9	-57	
of which gains/losses and impairments	-3	-4		-4	-3	
of which revaluations	-15	-20		28	-32	
of which market and other impacts	26	20	27.2%	-14	-23	
Special items	-10	-20		-17	-39	
Acquisition intangibles and goodwill	-13	-12		-27	-28	
Result on divestments	0	0		0	1,062	
Result before tax	-62	-130		-152	749	
Taxation	-13	-70		-30	-80	
Minority interests	-1	-1		-1	-1	
Net result	-49	-60		-121	830	
Key figures						
Operating capital generation ¹⁾	-109	-140		-200	-280	
Gross premiums written	13	19	-31.3%	25	33	-22.9%
Administrative expenses	101	101	0.2%	212	198	6.9%
of which reinsurance business	6	5	22.4%	11	9	18.8%
of which corporate/holding	95	96	-0.9%	201	189	6.4%

	31 Dec 23	30 Jun 23	Change	31 Dec 23	31 Dec 22	Change
Key figures						
Employees (internal FTEs, end of period)	1,976	1,953	1.1%	1,976	1,909	3.5%
In EUR billion						
Key figures						
Total liabilities for insurance, reinsurance, investment contracts	1	2	-4.7%	1	2	-12.8%

Full-year 2023 OCG was exceptionally strong at EUR -200 million, compared with EUR - 280 million in 2022. The improvement was mainly driven by the impact of higher interest rates in combination with a high level of cash capital at the holding, as well as strong results of the reinsurance business. The result of the reinsurance business mainly reflects a favourable experience variance and lower capital consumption.

Operating result was EUR -117 million compared with EUR -189 million in 2022, mainly driven by improved operating result of the reinsurance business. The current year included a EUR 5 million non-recurring positive reinsurance result, while 2022 was impacted by the February 2022 storm, a claim from a legacy portfolio and a non-recurring market-related item. The holding result was EUR -160 million compared with EUR -171 million in 2022, reflecting higher investment income and fees mainly driven by the higher interest rate environment in combination with a high level of cash capital at the holding, partly offset by higher holding expenses and higher interest on hybrids and debt reflecting the subordinated notes issued in August 2022 and May 2023.

The result before tax of the segment Other was EUR -152 million compared with EUR 749 million in 2022, which included the EUR 1,062 million gain on the sale of NN IP.

Consolidated Balance Sheet

- Total assets of NN Group increased by EUR 4.0 billion in the second half of 2023 to EUR 208.9 billion
- Shareholders' equity was broadly stable at EUR 19.6 billion, reflecting the positive net result offset by dividend payment and share buyback

In EUR million	31 Dec 23	30 Jun 23	31 Dec 22	31 Dec 23	30 Jun 23	31 Dec 22	
Assets				Equity and liabilities			
Cash and cash equivalents	8,207	7,198	6,670	Shareholders' equity (parent)	19,624	19,374	19,265
Investments at fair value through other comprehensive income	110,100	111,615	115,061	Minority interests	79	76	72
Investments at cost	21,488	20,825	20,291	Undated subordinated notes	1,416	1,416	1,764
Investments at fair value through profit or loss	49,392	45,552	43,162	Total equity	21,119	20,866	21,101
Investments in real estate	2,620	2,686	2,754	Insurance, reinsurance and investment contracts	148,829	146,029	144,443
Investments in associates and joint ventures	6,231	6,144	6,450	Debt instruments issued	1,195	1,195	1,694
Derivatives	2,486	1,601	2,452	Subordinated debt	2,680	2,663	2,334
Insurance and reinsurance contracts	1,088	1,178	961	Other borrowed funds	9,992	9,908	11,118
Property and equipment	348	378	399	Customer deposits	16,460	16,304	16,235
Intangible assets	1,270	1,271	1,280	Derivatives	4,067	4,670	6,461
Deferred tax assets	146	146	131	Deferred tax liabilities	559	550	624
Other assets	5,565	6,393	7,413	Other liabilities	4,040	2,802	3,014
Total assets	208,941	204,987	207,024	Total liabilities	187,822	184,121	185,923
				Total equity and liabilities	208,941	204,987	207,024

Assets

Cash and cash equivalents

Cash and cash equivalents increased by EUR 1.0 billion in the second half of 2023 to EUR 8.2 billion, due to changes in cash collateral paid and received as a result of lower interest rates.

Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income decreased by EUR 1.5 billion in the second half of 2023 to EUR 110.1 billion, mainly due to the sale of bonds and redemptions.

Investments at fair value through profit or loss

Investments at fair value through profit or loss increased by EUR 3.8 billion in the second half of 2023 to EUR 49.4 billion, driven by positive revaluations.

Derivatives

Derivatives increased by EUR 0.9 billion in the second half of 2023 to EUR 2.5 billion as a result of lower interest rates.

Liabilities

Insurance, reinsurance and investment contracts

Insurance, reinsurance and investment contracts increased by EUR 2.8 billion in the second half of 2023 to EUR 148.9 billion, mainly driven by lower interest rates and the increase in unit-linked and index-linked technical provisions as a result of favourable equity market movements.

Insurance, reinsurance and investment contracts includes the CSM. The CSM (net of reinsurance) decreased to EUR 6.4 billion from EUR 6.5 billion, due to assumption changes and adverse currency movements partly offset by organic growth. Organic growth²⁹⁾ was EUR 0.1 billion, reflecting business growth in Insurance Europe and higher margins in Netherlands Non-life, offsetting the net release of CSM of Netherlands Life and Japan Life.

Derivatives

Derivatives decreased by EUR 0.6 billion in the second half of 2023 to EUR 4.1 billion as a result of lower interest rates.

Other liabilities

Other liabilities increased by EUR 1.2 billion in the second half of 2023 to EUR 4.0 billion due to the increase in cash collateral received and the provision for the final settlement with interest groups on unit-linked insurance products.

Equity

Shareholders' equity was broadly stable at EUR 19.6 billion, reflecting the positive net result offset by dividend payment and share buyback.

In EUR million	FY23	1H23	FY22
Movement in shareholders' equity			
Shareholders' equity beginning of period	19,265	19,265	21,624
Net result for the period	1,172	586	1,634
Net revaluations on investments, (re)insurance contracts and cash flow hedges	166	69	-2,336
Realised gains/losses transferred to the profit and loss account	248	116	-21
Share or other comprehensive income of associates and joint ventures	-9	-3	9
Exchange rate differences	-80	-110	-105
Remeasurement of the net defined benefit asset/liability	-12	-14	68
Dividend	-422	-259	-413
Purchase/sale treasury shares	-632	-219	-1,391
Employee stock option and share plans	1	-1	-6
Coupon on undated subordinated notes	-57	-57	-58
Changes in the composition of the group and other	-16	0	260
Total changes	360	109	-2,359
Shareholders' equity end of period	19,624	19,374	19,265

In EUR million	31 Dec 23	30 Jun 23	31 Dec 22
Composition of total equity			
Share capital	34	35	35
Share premium	12,579	12,578	12,578
Accumulated revaluations on investments, (re)insurance contracts and cash flow hedges	9,197	9,010	8,830
Currency translation reserve	-421	-451	-338
Net defined benefit asset/liability remeasurement reserve	-63	-64	-51
Retained earnings and other reserves	-1,702	-1,734	-1,789
Shareholders' equity (parent)	19,624	19,374	19,265
Minority interests	79	76	72
Undated subordinated notes	1,416	1,416	1,764
Total equity	21,119	20,866	21,101

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, amortisation of acquisition intangibles, discontinued operations and special items, changes to losses from onerous contracts due to assumption changes, 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 2023 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 ten 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) The total amount invested in climate solutions for the proprietary portfolio as of 2023, reflecting the nominal value for green bonds and debt investment in certified green buildings and renewable energy, and the market value for equity investment in certified green buildings and renewable energy, and other investments.
- 8) This is the cumulative number of people supported through the community investment programmes in our markets as of 2022, focused on supporting financial, physical and/or mental well-being.
- 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) Contractual service margin after tax is included in the capital base for financial leverage ratio in the calculation based on IFRS 9/IFRS 17.
- 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 Investment Partners (NN IP) on 11 April 2022, the FY22 numbers reported for Asset Management reflect the results for the first quarter of 2022.
- 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 the average of the allocated equity at the beginning of the period and the end of the period.
- 28) Does not include interest costs on subordinated debt treated as equity.
- 29) Organic growth of CSM is defined as the sum of new business added and the underlying return on in-force minus release of CSM to P&L.
- 30) Financial Strength rating for Nationale-Nederlanden Levensverzekeringen Maatschappij N.V.

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 19 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 2H23 results at 07:45 CET on Thursday 29 February 2024. Journalists can join the press call by registering 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 2H23 results at 10:30 CET on Thursday 29 February 2024. Members of the investment community can follow the live audio webcast on www.nn-group.com.

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

- Register for the conference call online via this [link](#)
- After registration, you will receive a confirmation email containing the dial-in number and personal PIN code
- Use these details to dial in to the conference call

Financial calendar

- Annual General Meeting (AGM): 24 May 2024
- Publication 1H24 results: 15 August 2024

Contact information

Press enquiries

Media Relations
+31 6 53603065
mediarelations@nn-group.com

Investor enquiries

Investor Relations
+31 88 670 6647
investor.relations@nn-group.com

Additional information on www.nn-group.com

- NN Group 2H23 Financial Supplement, NN Group 2H23 Analyst Presentation, NN Group Company Profile and NN Group ESG presentation

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. consolidated interim accounts for the period ended 30 June 2023. The Annual Accounts for 2023 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) break-up of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (21) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (22) business, operational, regulatory, reputation and other risks and challenges in connection with ESG related matters and/or driven by ESG factors including climate change, (23) the inability to retain key personnel, (24) adverse developments in legal and other proceedings and (25) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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.

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