

## OFFERING MEMORANDUM DATED 7 MARCH 2025



### NN GROUP N.V.

*(a public limited liability company (naamloze vennootschap) incorporated under the laws of the Netherlands)*

### EUR 1,000,000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities

#### Issue Price: 100 per cent.

The EUR 1,000,000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities (the **Securities**) will be issued by NN Group N.V. (the **Issuer** or **NN Group**) on 11 March 2025 (the **Issue Date**) in denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000. The Securities are unsecured and subordinated obligations of the Issuer. The terms and conditions of the Securities (the **Conditions**) are set out more fully in “*Terms and Conditions of the Securities – Status and Subordination of the Securities and Set-Off*”.

The Securities are perpetual securities in respect of which there is no fixed maturity or redemption date. Securityholders (as defined herein) have no right to require the Issuer to redeem or purchase the Securities at any time. The Issuer shall be entitled to redeem the Securities only in accordance with the provisions specified in “*Terms and Conditions of the Securities – Redemption, Exchange, Variation and Purchase*”. The Issuer shall have the right, provided that the Redemption and Purchase Conditions are met, to redeem the Securities, in whole but not in part, at any time from the First Call Date to and including the First Reset Date and on any Interest Payment Date thereafter as further specified in “*Terms and Conditions of the Securities – Redemption, Exchange, Variation and Purchase*”. In addition, the Issuer may (subject, that the Redemption and Purchase Conditions are met) redeem the Securities following a Ratings Methodology Event, a Regulatory Event, a Tax Deductibility Event or a Gross-Up Event or exercise by the Issuer of the Clean-up Call, as set out in “*Terms and Conditions of the Securities – Redemption, Exchange, Variation and Purchase*”.

Each Security will bear interest on its Prevailing Principal Amount (i) from (and including) the Issue Date to (but excluding) 11 March 2035 (the **First Reset Date**), at a fixed rate of 5.750 per cent. per annum payable semi-annually in equal instalments in arrear on 11 March and 11 September in each year, commencing on 11 September 2025 and (ii) from (and including) the First Reset Date, at a fixed rate of interest which will be reset on each Reset Date payable semi-annually in arrear on 11 March and 11 September in each year, commencing on 11 September 2035, as further specified in “*Terms and Conditions of the Securities – Interest*”.

The Issuer may elect at any time to cancel (in whole or in part) any Interest Payment (as defined herein) otherwise scheduled to be paid on an Interest Payment Date and shall, save as otherwise permitted pursuant to the Conditions, cancel an Interest Payment upon the occurrence of a Mandatory Interest Cancellation Event (as defined herein) with respect to that Interest Payment. The cancellation of any Interest Payment shall not constitute a default or event of default for any purpose on the part of the Issuer. Any Interest Payment (or part thereof) which is cancelled in accordance with the Conditions shall not become due and payable in any circumstances.

Upon the occurrence of a Trigger Event (as defined herein), any interest which is accrued and unpaid up to (and including) the Write-Down Date (as defined herein) shall be automatically cancelled and the Issuer shall without the need for the consent of the Securityholders write-down the Securities by reducing the Prevailing Principal Amount (as defined herein) to a minimum of EUR 0.01 in certain circumstances. A Write-Down (as defined herein) of the Securities shall not constitute a default or an event of default in respect of the Securities or a breach of the Issuer’s obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Securityholders to petition for the insolvency or dissolution of the Issuer or to take any other action. Following any reduction of the Prevailing Principal Amount, the Issuer may, at its discretion, increase the Prevailing Principal Amount of the Securities on any date and in any amount that it determines in its discretion (either to the Initial Principal Amount or to any lower amount) provided that several conditions are met, as set out in “*Terms and Conditions of the Securities – Discretionary Reinstatement*”.

**The Conditions do not contain events of default.**

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the approval of this offering memorandum (the **Offering Memorandum**) as Listing Particulars (**Listing Particulars**). Application has been

made to Euronext Dublin for the Securities to be admitted to the Official List and trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or under any securities law of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

The Securities are expected to be rated BBB- by S&P Global Ratings Europe Limited (**S&P**) and BBB+ by Fitch Ratings Ireland Limited (**Fitch**). As at the date of this Offering Memorandum, each of S&P and Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council dated 16 September 2009, on credit rating agencies, as amended by Regulation (EU) No. 513/2011 (the **CRA Regulation**). As such, each of S&P and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time without notice.

Amounts payable under the Securities are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen “ICESWAP2” as of 11:00 a.m. (Central European time) on such Reset Interest Rate Determination Date (as defined in the Conditions) which is provided by ICE Benchmark Administration Limited or by reference to EURIBOR, which is provided by the European Money Markets Institute. As at the date of this Offering Memorandum, each of ICE Benchmark Administration Limited and the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation (Regulation (EU) 2016/1011).

**An investment in the Securities involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled “Risk Factors” before making a decision to invest in the Securities.**

***Joint Global Coordinators and Structuring Agents to the Issuer***

**BNP PARIBAS**

**J.P. Morgan**

***Joint Lead Managers***

**BNP PARIBAS  
Deutsche Bank  
J.P. Morgan**

**Citigroup  
ING  
Natixis**

**UniCredit**

## IMPORTANT INFORMATION

*This Offering Memorandum has been prepared for the purpose of giving information with regard to the Issuer, the Issuer together with its consolidated subsidiaries (NN or the **Group**) and the Securities which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.*

*The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Certain information contained in this Offering Memorandum and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.*

*This Offering Memorandum is to be read in conjunction with any supplement, that may be published between the date of this Offering Memorandum and the date of listing of the Securities on the Official List and admission to trading of the Securities on the exchange regulated market of Euronext Dublin, and all documents which are incorporated herein by reference (see the section entitled “Documents Incorporated by Reference”). This Offering Memorandum shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Memorandum.*

*The Joint Lead Managers (as defined in the section entitled “Subscription and Sale”, herein the **Joint Lead Managers**) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of any of the information contained or incorporated by reference in this Offering Memorandum or any other information provided by the Issuer in connection with the issue and sale of the Securities.*

*In connection with the issue and sale of the Securities, no person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Offering Memorandum and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.*

*Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Offering Memorandum has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Offering Memorandum has been most recently supplemented or that any other information supplied in connection with the issue and sale of the Securities is correct as of any time subsequent to the date indicated in the document containing the same.*

*Neither this Offering Memorandum nor any other information supplied in connection with the issue and sale of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Offering Memorandum or any other information supplied in connection with the issue and sale of the*

*Securities should purchase any Securities. Neither this Offering Memorandum nor any other information supplied in connection with the issue and sale of the Securities constitutes an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for or to purchase any Securities.*

*In making an investment decision regarding the Securities, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their business, their financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The content of this Offering Memorandum is not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Securities and the suitability of investing in the Securities in light of its particular circumstances. The Joint Lead Managers do not undertake to review the financial condition or affairs of the Issuer or the Group after the date of this Offering Memorandum or to advise any investor or potential investor in the Securities of any information coming to the attention of the Joint Lead Managers. Potential investors should, in particular, read carefully the section entitled “Risk Factors” set out below and the documents incorporated by reference into this Offering Memorandum before making a decision to invest in the Securities.*

*The language of the Offering Memorandum is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.*

## **RESTRICTIONS ON MARKETING AND SALES**

### ***Prohibition on marketing and sales of Securities to retail investors***

1. The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors and it is prohibited to sell the Securities to retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).
2.
  - (a) In the United Kingdom (UK), the Financial Conduct Authority (FCA) Conduct of Business Sourcebook (COBS) requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a **retail client**) in the UK.
  - (b) Each of the Joint Lead Managers and their affiliates are required to comply with COBS (as if COBS 22.3 applies to the Securities).
  - (c) By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertake to the Issuer and each of the Joint Lead Managers that:
    - (i) it is not a retail client in the UK; and
    - (ii) it will not sell or offer the Securities (or any beneficial interest therein) to retail clients in the UK; or communicate (including the distribution of this Offering Memorandum) or approve any invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where

that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

- (d) In selling or offering the Securities or making or approving communications relating to the Securities, it may rely on the limited exemptions set out in COBS (as if COBS 22.3 applies to the Securities).
- 3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area (the **EEA**) or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in this Offering Memorandum, including (without limitation) any requirements under the Directive 2014/65/EU (as amended, **EU MiFID II**) or the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.
- 4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or any Joint Lead Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client(s).

#### ***Prohibition of sales to EEA Retail Investors***

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (1) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the **EU PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

#### ***Prohibition of sales to UK Retail Investors***

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**EU MIFID II product governance / target market:** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in EU MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a **distributor**) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Offering Memorandum may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any Securities or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and none of this Offering Memorandum, any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Securities in the United States, the United Kingdom, Belgium, Singapore, Japan, Hong Kong and Canada; see the section entitled “*Subscription and Sale*”.

This Offering Memorandum is being provided for informational use solely in connection with the consideration of a purchase of the Securities to qualified purchasers in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. Its use for any other purpose is not authorised. This Offering Memorandum may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, references to €, **Euro**, **EUR** or **euro** are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.

In connection with the issue of the Securities, J.P. Morgan SE (herein referred to as the **Stabilising Manager**, (or persons acting on behalf of the Stabilising Manager)), may over-allot or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the issue date of the Securities and sixty (60) calendar days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.

The Issuer’s exposure to Environmental, Social and Governance (**ESG**) risks and the related management arrangements established to mitigate those risks have been assessed by several agencies,

including Sustainalytics, MSCI, ISS ESG research, CPD (Carbon Disclosure Project), World Benchmarking Alliance financial system benchmark and Transparency Benchmark Netherlands (any ratings provided by such agencies, **ESG ratings**). ESG ratings may vary among ESG rating agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Securities and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Offering Memorandum or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer, the Joint Lead Managers or any other person to buy, sell or hold the Securities. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. For more information regarding the assessment methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Offering Memorandum).

### **THE SECURITIES ARE COMPLEX INSTRUMENTS THAT MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS**

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of financial markets and with the regulatory framework applicable to the Issuer;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) consult its legal advisers in relation to possible legal or fiscal risks that may be associated with any investment in the Securities.

The Securities are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

## TABLE OF CONTENTS

Section	Page
Risk Factors .....	1
General Description of the Securities .....	56
Documents Incorporated by Reference .....	69
Terms and Conditions of the Securities .....	70
Form of the Securities .....	106
Use of Proceeds.....	108
Description of the Issuer .....	109
Taxation .....	136
Subscription and Sale.....	141
General Information.....	145
Definitions.....	148
Glossary of Insurance and Investment Management Terms .....	156



## **RISK FACTORS**

*Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Offering Memorandum (including, but not limited to, the audited consolidated financial statements with the related notes), before making an investment decision with respect to the Securities. If any of the following risks should actually occur, the Issuer and its consolidated subsidiaries' (NN or the **Group**) business, revenues, results of operations, solvency, financial condition and prospects could be materially adversely affected, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Securities.*

*Although the Issuer believes that the risks described below are the material risks presently known, they are not the only ones faced by NN. All of these factors are contingencies which may or may not occur. Additional risks not presently known to the Issuer or that the Issuer currently deems immaterial may also have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects, which could result in an inability of the Issuer to pay interest and/or principal and could negatively affect the price of the Securities.*

*Prospective investors should carefully review the entire Offering Memorandum, and should form their own views before making an investment decision with respect to the Securities. Before making an investment decision with respect to the Securities, prospective investors should also consult their own financial, legal and tax advisers to carefully review the risks associated with an investment in the Securities and consider such an investment decision in light of the prospective investor's personal circumstances.*

*Unless the context requires otherwise, capitalised terms which are defined in "Terms and Conditions of the Securities" have the same meaning when used herein.*

### **RISK FACTORS RELATING TO THE ISSUER**

#### **A. Risks regarding General Geopolitical, Economic and Market Conditions**

*NN's business, revenues, results of operations, solvency, financial conditions and prospects are materially affected by the condition of global financial markets and economic conditions generally.*

The economy typically goes through cycles. In periods of economic downturn, recurring weak macroeconomic conditions, including recessions, along with global financial market turmoil and volatility, generally affect the behaviour of NN's customers, and, by extension, the demand for, and supply of, NN's products and services. New economic or financial crises, such as those that started in 2008 and 2010, may occur and have a significant impact again. High unemployment levels; reduced consumer and government spending levels; government monetary and fiscal policies; inflation rates; interest rates; credit spreads and credit default rates; currency exchange rates; market indices, equity and other securities prices; real estate prices; political events and terrorism trends; potential cybercrimes and cyberattacks; and changes in customer behaviour have affected NN in the past and will continue to affect NN in the future. All of these factors are impacted by changes in financial markets and developments in the global and European economies.

Actions by central banks and governments, including the implementation of austerity measures and bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads, liquidity spreads and significant changes in asset valuations (including material write-

offs and write-downs of impaired assets), have all affected the business of financial institutions, including NN. Any future significant deterioration in the Dutch, European and global economies, or renewed volatility in financial markets may affect NN in one or more of the ways as described in the risk factors on pages 2 and 3 of this Offering Memorandum which, should such events occur, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN's business, revenues, results of operations, solvency, financial conditions and prospects may be materially affected by the impact of political unrest or geopolitical conflict, including war and terrorist activities, which may in turn affect the condition of global financial markets and economic conditions generally.*

Even though NN does not have business activities in Ukraine or Russia, and NN's direct financial exposure to these countries is limited, the invasion of Ukraine by Russia and a potential further escalation of the conflict between Russia and Ukraine may also have wide and significant further (economic) impact, in the region as well as world-wide. Moreover, Russia's invasion of Ukraine has led to sanctions, export controls, and other penalties being levied by the United States, European Union and other countries and supranational agencies against Russia, Belarus, and other relevant territories. These financial sanctions include, as of the date of this Offering Memorandum, substantial capital markets and financial restrictions to target certain Russian banks and other entities, as well as deposits and investments by Russian nationals, residents and entities. These sanctions impose on the concerned banks and their affiliates a limitation to conclude transactions in foreign currencies, including the limitation to use the SWIFT messaging system, wide-ranging restrictions on trade in goods and associated services, and to provide services on trading venues for transferable securities. Additionally, the sanctions prohibit dealings with transferable securities or money market instruments, as well as dealings in new debt and equity. Further potential sanctions and penalties have also been proposed or threatened. The aforementioned actions and circumstances could result in a materially adverse impact to NN's financial results. Furthermore, the recent conflict in the Middle East and a potential further escalation thereof may have significant economic impact beyond the region. Such geo-political events may have a materially adverse impact on NN's business, revenues, results of operations, solvency, financial condition, and prospects.

*NN's products could be materially affected by the condition of global financial markets and economic conditions generally, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN provides a number of life insurance, pension, income, investment and banking products that expose it to risks associated with fluctuations in interest rates, inflation, market indices, equity and other securities prices, credit default, the value of real estate assets, fluctuations in currency exchange rates and credit and liquidity risks. Accordingly, the profitability of many of these products depends in part on the value of the general account assets and separate account assets supporting them, which will fluctuate depending on the factors described in the previous sentence.

Some of NN's life insurance and pension products contain guaranteed minimum benefits. Potential declines in financial markets, decreases in prevailing interest rates, a prolonged period of low interest rates (such as that was experienced during a number of decades prior to 2022) and high market volatility may result in the value of these guaranteed minimum benefits being higher than anticipated in the pricing, reserving and valuation assumptions made when the policies were issued, and have resulted, and may result, in a decrease in customer lapses. A decrease in customer lapses may result in an increase in the costs to NN of these products because NN typically pays out the minimum guaranteed benefits on more policies when

investment returns on the underlying assets are lower than the minimum guaranteed benefits, negatively impacting the profitability of those products. Such an impact on profitability would generally be reflected over time through IFRS earnings as presented in NN's consolidated annual accounts, and could also result in an immediate decrease in available regulatory capital. Conversely, in periods of rapidly increasing interest rates, policy lapses and withdrawals may increase. This could force NN to sell investment assets at reduced prices and realise investment losses to make the cash payments to its policyholders, having an immediate effect on IFRS earnings and available regulatory capital.

*NN holds investment portfolios consisting of a variety of asset classes and hedge instruments. The condition of global financial markets and economic conditions may have a material adverse effect on the effectiveness of the hedge instruments and the performance of the financial investment portfolios held by NN.*

Financial market conditions may adversely affect the effectiveness of the hedge instruments used by NN to manage certain risks to which it is exposed. This may result in the hedge instruments not performing as intended or expected, in turn resulting in higher realised losses and increased cash needs to collateralise or settle these hedge transactions. Such financial market conditions may limit the availability, and increase the costs, of hedging instruments. In certain cases, these costs have not been, and may not be, fully recovered in the pricing of the products to which the hedges relate.

In the ordinary course of its business, NN holds investment portfolios containing a variety of asset classes, including fixed income securities, corporate bonds, mortgages and asset-backed securities (ABS), equities, real estate and investments in private equity funds. The value of these investment portfolios may be negatively impacted by adverse conditions in the financial markets and economies generally, interest rate changes, changes in mortgage prepayment behaviour or declines in the value of underlying collateral, potentially resulting in increased capital requirements and realised or unrealised losses on those portfolios and decreased investment income. The invasion of Ukraine by Russia and a potential further escalation of the conflict between Russia and Ukraine has affected the economy world-wide and has led to higher interest rates, spread and inflation levels; such developments may also have negative impact on the value of NN's investments and balance sheet in general. The value of NN's investment portfolios may also be adversely impacted by reductions in price transparency, changes in the assumptions or methodologies used to estimate fair value and changes in investor confidence or preferences, resulting in higher realised or unrealised losses. A decrease in the value of the investment could impact, the results of operations, solvency, and financial condition of certain of the Issuer's subsidiaries, potentially requiring capital injections and impacting the ability of certain of those subsidiaries to distribute dividends. In addition, a potential further escalation of the recent conflict in the Middle East may have significant economic impact beyond the region and may adversely affect the value of NN's investment portfolios.

Weak performance of financial markets or underperformance (compared to certain benchmarks or NN's competitors) by funds or accounts that NN manages, or investment products that NN sells may impact NN's ability to attract new customers and may cause, customer investments to be withdrawn or reduced, potentially resulting in reduced fee and commission income earned by NN from the management of investment portfolios for third parties, and reduced fee income on certain annuity, pension and investment products. Furthermore, changes in financial market conditions may cause a shift in NN's assets under management (AuM) mix from equity towards fixed income products, potentially contributing towards a decline in the revenues earned by NN from the management of investment portfolios for third parties.

*Asset liquidity could be materially affected by the condition of global financial markets and economic conditions generally, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN holds certain assets that have low liquidity, such as privately placed fixed income securities or loans, commercial and residential mortgage loans, ABS, government bonds of certain countries, private equity investments and real estate. During times of financial crisis or in general, in case NN is forced to sell certain assets at short notice, many of these assets have proven to be illiquid resulting in realised losses if such assets were sold and unrealised losses on such assets if they were marked-to-market. A downturn in the financial markets may exacerbate the low liquidity of these assets and may also reduce the liquidity of assets that are typically liquid, as observed during the financial crisis for the markets of ABS relating to real estate assets and other collateralised debt and loan obligations. If NN requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with its investment portfolio, derivatives transactions or securities lending activities, NN may be forced to sell assets. If those assets are illiquid, NN may be forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses.

*The demand for financial products offered by NN could be materially affected by the condition of global financial markets and economic conditions, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

Adverse economic conditions generally (including high unemployment rates) may reduce the level of savings and demand for insurance, banking and investment products. Potential further escalations of the conflict between Russia and Ukraine and the recent conflict in the Middle East may negatively impact sales volumes in markets in which NN operates. Furthermore, financial market conditions characterised by decreasing or persistently low interest rates may cause a decline in the benefits NN is commercially able to offer under its insurance products. These effects may reduce demand for NN's products and services. Adverse economic conditions may result in reductions in numbers of employees of NN's existing corporate customers in its group life insurance business, in turn resulting in a reduction in underlying employee participation levels and thus in the contributions, deposits and premium income attributable to certain of NN's pension products.

*The condition of global financial markets and economic conditions may have an adverse effect on NN's ability to access the public markets for debt and equity capital.*

Disruptions, uncertainty or volatility in financial markets may limit or otherwise adversely impact NN's ability to access the public markets for debt and equity capital. This may in turn force NN to (a) delay raising additional capital, (b) reduce, cancel or postpone interest payments on its capital securities, (c) issue debt securities of different types or under less favourable terms to NN than it would otherwise do, or (d) incur a higher cost of capital than it would otherwise have incurred in a more stable market environment, each of which may have a material adverse effect on NN's capital and liquidity position. Insufficient liquidity in public markets may force NN to curtail certain operations and strategies, and may adversely impact NN's ability to meet regulatory and rating agency requirements.

*NN's mortgage and real estate portfolio is exposed to physical and transitional risks, including as a direct result of climate change.*

NN's residential and commercial mortgage and real estate portfolio may be exposed to the impacts of physical risks arising from climate and weather-related events, including heatwaves, droughts, flooding, storms, rising sea levels, other extreme weather events or other natural and man-made disasters including indirect impact on investments. Such physical risks could impact NN's mortgage and real estate portfolio, as well as its customers' property, business or other financial interests. These risks could potentially result in impairing asset values, financial losses, declining creditworthiness of customers and increased defaults, delinquencies, write-offs and impairment charges in NN's portfolio. The transition to a low carbon or net zero economy may give rise to risks and uncertainties associated with climate change-related laws, regulations and regulatory oversight (please also refer to "*Regulatory and Litigation Risks*"), changing technologies or new technologies, and shifting customer sentiment. For instance, NN may be required to change its mortgage portfolio to comply with new climate change-related regulations. As a result, it might be unable to lend to certain prospective customers (whose so-called 'footprint' contributes unduly to climate change), or such compliance might even lead to the termination of certain existing relationships with certain customers. This could result in claims or legal challenges from such customers against NN. This transition may also adversely impact the business and operations of NN's customers and other counterparties. If NN fails to adequately factor in such risks in its lending or other business decisions, NN could be exposed to losses.

## **B. Financial and investment risks of the Group**

*NN has long-term assets and liabilities and is exposed to the risk of a mismatch between the value of the assets and the liabilities resulting from changes in interest rates and credit spreads, which could have a material adverse effect on NN's results of operations, solvency and financial condition.*

As a provider of life insurance and guaranteed pension products, NN holds a significant amount of long-term fixed income assets which are mostly matched against its long-term insurance liabilities. Fixed income assets are typically valued at fair market value in accordance with current accounting and solvency regulations and are therefore sensitive to interest rate and credit spread movements, except for the mortgage portfolio of NN Bank which is carried at amortized cost. Even though the corresponding liabilities are valued using a market consistent methodology, such as under Solvency II and under IFRS 17 that is applicable as of 1 January 2023, they may nevertheless have limited or different sensitivity to credit spread and interest rate movements because the discount rate applied in those market consistent valuations (in some cases, including the discount rate prescribed or determined by regulators) typically do not fully reflect sensitivities to credit spread and interest rate movements that is reflected in the valuation of assets, and therefore the value of the liabilities may not match fully that of the fixed income assets. In addition, there may be a mismatch in interest rate sensitivities if the duration of the liabilities of a business unit differs from the fixed income assets.

In all of these cases, there can be a mismatch between the valuations of the fixed income assets and liabilities that, depending on applicable accounting, reporting and regulatory frameworks, could have a material adverse effect on NN's available regulatory capital (particularly in the Netherlands and Japan), results of operations and financial condition.

*The Issuer is exposed to the sensitivity of the value of assets and liabilities and financial instruments to changes in the level or in the volatility of spreads over the risk-free interest rate term structure, known as spread risk.*

The credit spread risk is defined as the possibility of having losses in Solvency II own funds due to adverse movements in the credit spreads of fixed income assets, including the mortgage

portfolio. The credit spread widening (or narrowing) reflects market supply and demand, rating migration of the Issuer and changes in expectation of default. Changes in liquidity and other risk premiums that are relevant to specific assets can play a role in the value changes.

In the calculation of the solvency capital requirement (SCR) for the Partial Internal Model entities, the Issuer assumes no change to the volatility adjustment on the liability side of the balance sheet after a shock-event, but instead reflects the illiquidity of liabilities in the asset shocks to ensure appropriate solvency capital requirements. This approach ensures appropriate risk incentives and is approved by DNB. The Issuer also shocks all government bonds and its mortgage portfolio in the calculation of spread risk capital requirements for the Partial Internal Model entities.

A spread tightening will generally increase the value of fixed income securities in the NN portfolio and will reduce the investment income associated with new purchases of fixed income securities. A spread widening will reduce the value of fixed income securities and increase the investment income associated with the purchase of new fixed income securities in the investment portfolio of NN. The Issuer aims to maintain a low-risk, well diversified fixed income portfolio. However, the Issuer is still exposed to widening of sovereign credit spreads given significant holdings in long-term government bonds and loans which are sensitive to sovereign credit spread movements above swap rates. German, Dutch, French, Belgian and Japanese government bonds represent the majority of the Issuer total sovereign debt exposure.

*Interest rate level and volatility may adversely affect the Issuer. Sustained low or negative interest rate levels could have a material adverse effect on NN's revenues, results of operation, solvency, financial condition and prospects, if the low interest rate environment returns after the recent increases in interest rates.*

After interest rates have decreased for a long period of time and even went below zero, they showed an increase in 2022. The sustained low interest rate environment until 2022, in particular in Europe and Japan, has impacted NN in various ways, including the following, and may continue to do so if the low interest rate environment returns after the recent increases in interest rates.

In a period of sustained low or negative interest rates, financial and insurance products with long-term options and guarantees (such as pension, whole-life and disability products) may be more costly to NN. NN may therefore incur higher costs to hedge the investment risk associated with such long-term options and guarantees of these products. Moreover, economic capital that NN holds for long-term risks, such as longevity, expense and morbidity risks, is higher in a low interest rate environment. These effects limit the ability of NN to offer these products at affordable prices. Also, the present value impact of assumption changes affecting future benefits and expenses is larger, creating more volatility in NN's results of operations and available regulatory capital. Sustained periods of low or negative interest rates have an adverse impact, especially on the minimum guaranteed benefits, life insurance business as well as other policyholder options where the portfolio yield is used to estimate the guaranteed interest rate on the policies written. Persistently low or negative interest rates not only render delivering the necessary return for clients or offering competitive profit sharing and attractive life investment and savings insurance products more difficult, but also restrict options to maintain the required profitability to remunerate investors.

NN holds long-term fixed income assets, which are matched against its long-term liabilities. Over the next several years, fixed income assets that were purchased when interest rates were higher will run off. This might expose NN to an investment risk because, in a low interest rate environment, NN may not be able to reinvest the proceeds from maturing investments or to

invest the premiums, which it will continue to receive on recurring premium products with interest rate guarantees, in assets with a comparable return profile.

Sustained low interest rate levels have had, and, if the low interest rate environment returns, could continue to have, a material adverse effect on NN's revenues, results of operation, solvency financial condition and prospects.

*Rising interest rates could reduce the value of fixed income investments held by NN, increase policy lapses and withdrawals, and increase collateral requirements under NN's hedging derivatives, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects. Changes of the interest rate curve after the last liquid point (LLP) as defined in the Solvency II regulatory framework, could have a material adverse effect on NN's Solvency position.*

If interest rates rise, the value of NN's fixed income portfolio may decrease. This may result in unrealised losses, which in certain regulatory environments, for instance in Japan, could lead to reductions in available regulatory capital and the distributable earnings of the Issuer's Japanese subsidiaries. Furthermore, rising interest rates could require that NN post collateral in relation to its interest rate hedging derivatives. In periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the market place. In order to satisfy the resulting obligations to make cash payments to policyholders, NN may be forced to sell assets at reduced prices and thus realise investment losses. Such a sale of investment assets may also result in a decrease in NN's AuM, which could result in reduced fee income as NN's fee income is partly linked to the value of the AuM. Interest rates have increased significantly since 2022 and, despite the interest rate reductions in 2024, further interest rate increases could happen again in the future.

If interest rates increase after the last liquid point as defined under the Solvency II regulatory framework, the value of NN's fixed income portfolio may decrease. As such interest rate changes do not affect the value of NN's liabilities in the regulatory framework due to the extrapolation methodology defined under the Solvency II, this could have a material adverse effect on NN's Own Funds and Solvency position. As from 2022 the interest rate curve is inverted. The current inversion of the interest rate curve may remain for a longer period of time and steepening of the curve could happen in the future. NN has taken mitigating measures to reduce the impact of the curve changes beyond the LLP. However, further potential changes in the shape of the interest rate curve after the LLP may have adverse impact on NN's economic position.

The occurrence of any of the risks set out above could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN is exposed to currency transaction risks and currency translation risks. Fluctuations in currency exchange rates may affect the Group's business, results of operations, financial condition and prospects.*

The Issuer's operating subsidiaries may enter into transactions in currencies other than their local currency. Movements in relevant currency exchange rates could adversely affect the revenues, results of operations, solvency and financial condition of those operating subsidiaries, and in turn that of the Issuer. The Issuer is also subject to currency translation risks as the annual accounts of some of its subsidiaries are prepared in currencies other than the euro, the most important of which are the Japanese yen and the Polish zloty. The Issuer and its subsidiaries also receive dividends and other distributions from subsidiaries in currencies other than the euro. Changes in currency exchange rates between the euro and these currencies, particularly

the Japanese yen and the Polish zloty, can cause changes in the value (in euro) of corresponding positions on the consolidated annual accounts of NN, even where results as measured in the local currency remained unchanged, or even improved.

The occurrence of currency transaction risks and currency translation risks could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*The Issuer and/or certain subsidiaries of the Issuer may be subject to liquidity risk, which may not be timely resolved by liquidity available elsewhere in the Group.*

Most of NN's operating insurance companies have relatively large amounts of liquid assets as they have significant holdings of government bonds. However, certain NN entities, such as the Issuer, NN Re, Nationale-Nederlanden Interfinance B.V., NN Japan and NN Bank, but also other subsidiaries could be faced with a lack of liquidity. In addition, the Issuer is dependent on dividend payments by its subsidiaries to service its debt and expenses. Payments of dividends to the Issuer by its subsidiaries may be restricted by applicable laws and regulations of their respective jurisdictions, including laws establishing minimum solvency, capital and liquidity thresholds. NN Re has a derivatives portfolio in respect of reinsured portfolios, such as, from NN Japan and the variable annuity guarantees it reinsures for certain members of the Group. This derivatives portfolio could require NN Re to post (additional) collateral. To hedge their insurance portfolios, the abovementioned NN entities (i) use Nationale-Nederlanden Interfinance B.V. as the legal entity to enter into its bilateral over-the-counter (**OTC**) derivative contracts and/or (ii) use contracts in their own names to enter into OTC derivative contracts that may or may not be subject to the clearing obligation or which the NN entities prefer to clear voluntarily. In any of these two circumstances, NN could be required to post (additional) collateral if, for instance, equity markets and/or interest rates move adversely for NN or NN's counterparties' amend their view on NN's creditworthiness. NN Japan's portfolio of SME life insurance products could suffer significant surrenders if certain tax benefits on existing business become no longer available to NN's corporate customers following a change in Japanese tax regulations, which could result in liquidity issues if this is combined with a significant increase in Japanese interest rates reducing the value of assets which would need to be sold to satisfy its obligations to customers. NN Bank is exposed to the risk of customer deposit outflows and an inability to attract wholesale funding to fund its illiquid assets, in particular its mortgage portfolio. There can be no assurance that liquidity available elsewhere in the Group can or may be made available to the Issuer or affected subsidiary or that any such entity will have access to external sources of liquidity.

*NN is exposed to counterparty risk. Deteriorations in the financial soundness of other financial institutions, sovereigns or other contract counterparties may have a material adverse effect on NN's business, revenues, results of operations, solvency and financial condition.*

Due to the nature of the global financial system, financial institutions, such as NN, are interdependent on other financial institutions as a result of trading, counterparty and other relationships. Other financial institutions with whom NN conducts business act as counterparties to NN in such capacities as issuers of securities, customers, banks, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, intermediaries, commercial banks, investment banks, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as counterparty may not perform their obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security they provide may prove inadequate to cover their obligations at the time of the default.



A default by any financial institution, or by a sovereign, could lead to additional defaults by other market participants. The failure of a sufficiently large and influential financial institution or sovereign has in the past disrupted, and could in the future disrupt, securities markets or clearance and settlement systems, and could lead to a chain of defaults because the commercial and financial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of one or more counterparties may lead to market-wide liquidity problems and losses or defaults by NN or by other institutions. Potential further escalations of the conflict between Russia and Ukraine and the recent conflict in the Middle East may also cause a global increase in the risk of defaults on government, corporate debt and securitisations. An increase in such defaults, or the likelihood of defaults can have an adverse effect on NN's results of operations, solvency and financial condition. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which NN interacts on a daily basis. Systemic risk could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*Reinsurance subjects NN to the credit risk of reinsurers, and reinsurance may not be available, affordable or adequate to meet NN's requirements, which may have a material adverse effect on NN's business, revenues, results of operations, solvency and financial condition.*

NN purchases reinsurance under various agreements that cover defined blocks of business on a yearly renewable, per risk excess of loss or catastrophe excess of loss basis. These reinsurance agreements are designed to spread the risk and mitigate the effect of claims. The amount of the retained risk depends on an evaluation of the specific risk, which is subject, in certain circumstances, to maximum limits based on the characteristics of coverage. Under the terms of these reinsurance agreements, the reinsurer agrees to reimburse NN for the ceded amount in the event that NN has to pay out the ceded claim to a policyholder. A default by a reinsurer to which NN has material exposure could expose NN to significant (unexpected) losses and therefore have a material adverse effect on its business, revenue, results of operations, solvency and financial condition.

Market conditions beyond NN's control determine the availability and cost of reinsurance protection. Accordingly, NN may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect the profitability of NN's business and the availability of capital to write future business. In addition, NN determines the appropriate level of primary insurance and reinsurance coverage based on a number of factors and from time to time decides to reduce, eliminate or decline coverage based on its assessment of the costs and benefits involved. Any decreases in the amount of reinsurance coverage may increase NN's risk of loss. Any of these risks, should they materialise, may have a material adverse effect on NN's business, revenues, results of operations, solvency and financial condition.

*The Issuer is exposed to concentration risk, in particular in relation to sovereign debt.*

The concentration risk that NN's business may face can originate from a lack of diversification of risks in the asset portfolio due to a large exposure to a single issuer of securities or a group of related issuers. As at 31 December 2024, approximately 25 per cent of the Issuer's asset portfolio was invested in government bonds and loans. NN is exposed to risk of potential sovereign debt credit deterioration and default. The risk exists that governments may be unable or unwilling to repay principal or pay interest when due in accordance with the terms of such debt. In order to prevent excessive concentration risk, the Issuer has a concentration risk limit

framework. The framework sets a risk appetite and concentration limits on issuer category (corporate and sovereign), asset type and country of risk.

*NN is exposed to adverse changes of market parameters related to its mortgage portfolio. NN's mortgage portfolio is exposed to the risk of default by borrowers, to declines in real estate prices, and to volatility in the valuation of the mortgage loans and mortgage spreads. Real estate exposures are concentrated in the Netherlands.*

NN is exposed to the risk of default by borrowers under mortgage loans. Borrowers may default on their obligations due to bankruptcy, lack of liquidity, downturns in the economy generally or declines in real estate prices, operational failure, fraud or other reasons. The value of the secured property in respect of these mortgage loans is exposed to decreases in real estate prices, arising for instance from downturns in the economy generally, oversupply of properties in the market, and changes in tax or other regulations related to housing (such as the decrease in deductibility for tax purposes of interest on mortgage payments as well as rules on pre-payment and transfer). Furthermore, the value of the secured property in respect of these mortgage loans is exposed to destruction and damage resulting from floods and other natural and man-made disasters. Damage or destruction of the secured property also increases the risk of default by the borrower.

In line with fixed income assets, mortgage loans are typically valued at fair market value in accordance with (regulatory) solvency accounting methodology and are therefore sensitive to movements of financial markets parameters like interest rate and spreads. A spread tightening will generally increase the value of the mortgage loans in the NN portfolio. A spread widening will generally reduce the value of the mortgage loans in the investment portfolio of NN. A change in these parameters or valuation method could result in a material decrease in available regulatory capital in the Netherlands, which could have a material adverse effect on NN's solvency and financial condition.

For NN, a large majority of these exposures are concentrated in the Netherlands because most of the mortgage loans have been advanced, and are secured by commercial and residential property, in the Netherlands. As of the date of this Offering Memorandum, the vast majority of the aggregate principal amount of mortgage loans advanced in the Netherlands is secured by residential property, and a relatively small amount by commercial property. A potential negative economic development caused by potential further escalations of the conflict between Russia and Ukraine and/or the recent conflict in the Middle East may cause an increase in the default on mortgage loans. A potential increase of defaults, or the likelihood of defaults, under the mortgage loans, or a decline in property prices in the Netherlands could have, a material adverse effect on NN's results of operations, solvency and financial condition.

*NN holds a portfolio of (direct and indirect) real estate investments and therefore is exposed to adverse changes of market parameters related to real estate, in particular, to declines in real estate prices.*

NN is exposed to fluctuations in values of its (direct and indirect) investments in real estate properties of which a large part is located in the Netherlands. These investments consist of various types of objects like residential properties, commercial-, retail-, logistics-, offices and other types of real estate properties and are exposed to various risks, such as adverse changes in national and international economic conditions, changes in demographics (including aging), changes in interest rates, real estate tax rates and other operating expenses, environmental and operational laws and regulations, other governmental rules and fiscal policies, and operating problems arising out of the presence of certain construction materials. These factors could cause fluctuations in rental income, operating expenses, occupancy rate and/or the value of the

properties, causing a negative effect on the operating returns derived from properties. The value of properties may also be significantly diminished in the event of a downturn in real estate prices or the occurrence of any of the factors noted above.

Changes in property prices or changes in market parameters used in the valuation methods of these real estate properties, as well as risks related to rental income, for example, inability to reprice to fully cover the inflation, could have a material adverse effect on NN's results of operations, solvency and financial condition. In addition, a potential decrease in the number of transactions in relevant real estate markets, such as during 2022 and 2023, can result in larger uncertainties around the inputs to the valuations and, therefore, increased uncertainty in the fair value of real estate investments.

*The determination of the amount of impairments taken on NN's investment and other financial assets is subjective and could have a material adverse effect on NN's results of operations, solvency and financial condition.*

Impairment evaluation of NN's investment and other financial assets is a complex process that involves significant judgements and uncertainties that may have a significant impact on NN's results of operations and financial condition.

All debt securities and loans (other than those carried at fair value through profit and loss) held by NN are subject to impairment testing every reporting period in order to determine the relevant provision for expected credit losses as required by IFRS. The determination of the expected credit loss provision includes both quantitative and qualitative considerations. For debt securities, such considerations include actual and estimated incurred and expected credit losses indicated by payment default, market data on (estimated) losses and other current evidence that the relevant issuer may be unlikely to pay amounts when due.

The timely identification and measurement of impairment is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, statistical loss data, discount rates and observable market prices and ratings. Estimates and assumptions are based on management's judgement and other available information. Significantly different results can occur as circumstances change and additional information becomes known.

## **C. Insurance Liability risk of the Group**

*Certain of NN's life insurance products (including annuity and pension products) are subject to longevity risk, which is the risk that the insured lives longer than assumed, with the result that the insurer must continue paying out on the relevant policy for longer than was anticipated, which could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.*

In valuing its insurance liabilities and in establishing its pricing and reserving standards, NN uses assumptions to model the future benefit payments, which may be different from the actual benefit payments that will become due in the future if the insured lives longer than was assumed. A change in assumptions could result in a material decrease in available regulatory capital in the Netherlands, which could have a material adverse effect on NN's solvency and financial condition.

*Catastrophes, including natural disasters, may result in substantial losses and could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.*

NN is subject to losses from unpredictable events that may affect multiple insured risks. Such events include both natural and man-made events, such as, but not limited to, windstorms, coastal inundation, floods, severe winter weather and other weather-related events, pandemics (such as the COVID-19 pandemic), large-scale fires, industrial explosions, earthquakes and other man-made disasters such as civil unrest, terrorist attacks and wars. Potential further escalations of the conflict between Russia and Ukraine and the recent conflict in the Middle East may also lead to further events that cause substantial losses.

The extent of the losses from such catastrophic events is a function of their frequency, the severity of each individual event and the reinsurance arrangements that NN has in place. A catastrophic event that is sufficiently severe could result in one or more reinsurers that have reinsured that event defaulting on their obligations to the relevant insurers, including NN. Some catastrophes, such as explosions, occur in small geographic areas, while others, including windstorms and floods, may produce significant damage to large, heavily populated and widespread areas. The frequency and severity of catastrophes in general are inherently unpredictable and subject to long-term external influences, such as climate change, and a single catastrophe or multiple catastrophes in any period could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.

*The non-life insurance business has historically been cyclical, characterised by periods of intense competition in relation to price and policy terms and conditions often due to excessive underwriting capacity, resulting in fewer policies written, lower premium rates, increased expenses for customer acquisition and retention, and less favourable policy terms and conditions for NN, and such cycles may occur again.*

Insurers that offer non-life insurance products have historically experienced significant fluctuations in operating results due to competition, the levels of underwriting capacity, general social, legal or economic conditions and other factors. The non-life insurance business has historically been cyclical, characterised by periods of intense competition in relation to price and policy terms and conditions often due to excessive underwriting capacity, as well as periods when shortages of capacity have seen increased premium rates and policy terms and conditions that are more advantageous to underwriters. Increases in the supply of insurance (whether through an increase in the number of competitors, an increase in the capitalisation available to insurers or otherwise) and, similarly, reduction in consumer demand for insurance could have adverse consequences for NN, including fewer contracts written, lower premium rates, increased expenses for customer acquisition and retention, and less favourable policy terms and conditions for NN, any of which could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.

*In the ordinary course of managing and reporting on its business, NN makes extensive use of assumptions and actuarial models to estimate future revenues and expenditures until the maturity of its insurance portfolios, and to assess the related risks. Differences in experience compared with assumptions, as well as updates of the assumptions and actuarial models, may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

In the ordinary course of managing and reporting on its business, NN makes extensive use of actuarial models to estimate future revenues (including premium income and investment returns) and expenditures (including claims payable, policyholder benefits payable, operating expenses, investment expenses, commissions payable and tax expenses) until the maturity of its insurance portfolios, which are used for various purposes, including pricing, reserving, solvency, economic capital and hedging programmes, and uses risk models to assess the related risks.

These actuarial models use, among others, statistics, observed historical market data, insurance policy terms and conditions, and NN's own judgement, expertise and experience, and include assumptions as to, among others, the levels and timing of payment of premiums, benefits, claims, expenses, interest rates, credit spreads, investment portfolio performance (including equity market and debt market returns), longevity, mortality, morbidity and product persistency, and customer behaviour (including with respect to surrenders or extensions). NN's risk models also include assumptions as to regulatory capital and other requirements, which are particularly uncertain in the current regulatory environment, which is undergoing significant, and ongoing, changes. Actuarial and risk models are complex and may not identify all relevant elements, or may not accurately estimate the magnitude of the impact of identified elements. The effectiveness of these models depends on the quality of information used, which may not always be accurate, complete or up to date, or the significance of which may not always be properly evaluated. Actuarial and risk models are inherently uncertain and involve the exercise of significant own judgement. NN therefore cannot determine with precision the amounts that it will pay for, or the timing of payment of, actual benefits, claims and expenses or whether the assets supporting NN's policy liabilities, together with future premiums, will be sufficient.

If actual experience differs from assumptions or estimates, the profitability of NN's products may be negatively impacted, NN may incur losses, and NN's capital and reserves may not be adequate, and the effectiveness of NN's hedging programmes may be adversely affected.

From time to time, NN may need to update its assumptions and actuarial and risk models to reflect actual experience and other new information. Changes to assumptions and these models could impact NN by, for instance, requiring that it update its hedge positions, in which case NN may incur losses, or result in a review of, and subsequent changes to, NN's product pricing, which could have a material adverse effect on NN's business, revenues, results of operations and prospects. In addition, the impact of changes to assumptions, actuarial and risk models on NN's financial reporting will differ depending on applicable accounting and regulatory frameworks.

The impact of changes in assumptions would be reflected in most cases over the remaining life of the policies through IFRS earnings. However, in certain cases, regular updates to the assumptions may have an immediate impact on IFRS earnings. Furthermore, updates in assumptions within insurance businesses with a market value based regulatory capital regime, such as the solvency framework and prudential regime (**Solvency II**), would result in an immediate change in the present value of the liabilities used to determine available regulatory capital and would therefore have an immediate impact on available regulatory capital. Changes in assumptions could therefore have a material adverse effect on NN's results of operations, solvency and financial condition.

*Discrepancies between assumed mortality and morbidity and actual mortality and morbidity experience may have a material adverse effect on NN's results of operations, solvency and financial condition.*

NN's insurance business is exposed to mortality and morbidity risk. Mortality risk is the risk that a greater number of insured persons die than was assumed, resulting in higher claims. NN's most significant exposure to mortality risk is in its term life and endowment policies. Morbidity risk is the risk that a greater number of insured persons will suffer from insured illnesses and disabilities than was assumed, resulting in higher claims and benefit payments. NN's most significant exposure to morbidity risk is in its disability insurance business in the Netherlands non-life insurance business, and from health and accidental death covers within the SME Life insurance business in Japan. In the case of the income protection and disability insurance business in the Netherlands, a weak economy and higher unemployment may increase the

likelihood that those who are eligible to make a claim do so for longer than was assumed, which would result in higher claims than was anticipated. Discrepancies between assumed mortality and morbidity and actual mortality and morbidity experience may have a material adverse effect on NN's results of operations, solvency and financial condition.

*In valuing its insurance liabilities and in pricing its life insurance and pension products, NN uses assumptions to model the impact of future policyholders' behaviour, which may be different from the actual impact of future policyholders' behaviour. A discrepancy between assumed policyholder behaviour and actual experience, as well as changes to the assumptions used in the modelling, may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN is exposed to risks associated with the future behaviour of policyholders which may have an impact on future claims payment patterns. Relevant policyholder behaviours include, among others, policy lapse, withdrawal and surrender decisions, decisions on whether or not to extend the term of a policy, premium payment decisions, discretionary policy top-ups, and choices regarding the underlying fund composition in relation to certain pension and investment products. Risks arise from the discretions afforded to policyholders under the policies, and decisions by customers on whether or not to perform under the policies.

Policyholder behaviours and patterns can be influenced by many factors, including financial market conditions and economic conditions generally. Factors such as customer perception of NN, awareness and appreciation by customers of potential effects of early surrender, and changes in laws (including tax laws that make relevant products more or less beneficial to customers from a tax perspective) can also affect policyholder behaviour. Other factors, less directly related to the product, such as a change in state pensions, an increase or decrease in the preference of consumers for cash at hand, the existence and terms of competing products, and others, may also have an impact on policyholder behaviour.

A discrepancy between assumed policyholder behaviour and actual experience, as well as changes to the assumptions used in the modelling, may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*A failure to accurately estimate inflation and factor it into NN's product pricing, expenses and liability valuations could have a material adverse effect on NN's results of operations, solvency and financial condition.*

A failure to accurately estimate inflation and factor it into NN's product pricing and liability valuations with regard to future claims and expenses could result in systemic mispricing of long-term life and non-life insurance products resulting in underwriting losses, and in restatements of insurance liabilities, which could have a material adverse effect on NN's results of operations, solvency and financial condition.

The conflict between Russia and Ukraine that started in 2022 impacted global supply chains and energy prices. The resulting supply chain disruptions and labour and energy shortages have driven inflation upwards, to 9.2 per cent by the end of 2022<sup>1</sup> in the Euro area, albeit reduced to 2.5 per cent by January 2025 year-on-year<sup>1</sup>. Inflation levels may rise again or remain elevated for a longer period of time. The impact of inflationary developments on NN's balance sheet and solvency position depends on inflation itself, but also on how other market factors move, amongst others driven by the response by central banks to rising inflation, or market expectations by investors.

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<sup>1</sup> Source: Products Euro Indicators - Eurostat (ec.europa.eu)

In the case of expenses, NN's most significant exposure to inflation risk is in its life insurance business in the Netherlands. With respect to claims, NN's most significant exposure to inflation risk is in its disability and accident insurance policies written by the non-life insurance business in the Netherlands.

A sustained increase in inflation may result in (a) claims inflation (which is an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim) and expense inflation (which is an increase in the amount of expenses that are paid in the future driven by amongst other things, wage inflation), respectively, coupled with (b) an underestimation of corresponding reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable, and, consequently, actual claims or expense payments that significantly exceed associated insurance reserves, which could have a material adverse effect on NN's results of operations, solvency and financial condition. An increase in inflation may also require NN to update its assumptions. Updates in assumptions within the life insurance business in the Netherlands would result in an immediate change in the present value of the claims or expenses, respectively, used to determine available regulatory capital in the Netherlands and would therefore have an immediate impact on available regulatory capital. Changes in assumptions could therefore have a material adverse effect on NN's results of operations, solvency and financial condition.

*Investment guarantees of NN's separate accounts pension business in the Netherlands and the variable annuity products sold in Japan may have a material adverse effect on NN's business, results of operations, solvency and financial condition.*

NN's separate account business in the Netherlands consists of large pension contracts sold to employers under which a discretion to choose the funds in which premiums are invested is afforded, while NN offers a guaranteed return ranging from 3 per cent to 4 per cent. As derivative instruments to hedge exposure to the investment options fully reflecting these exposures may not be available, NN's obligations under these policies may potentially not be fully hedged and as a result the capital required for this business, as well as results of operations attributable to this business, may be volatile.

Many of these products permit policyholders to make certain determinations at their discretion, including the discretion to surrender the contract, and in some cases to extend the contract. As a result, NN's liability under these contracts is subject to policyholder behaviour, which is difficult to predict. Moreover, these discretionary characteristics amplify the potential effects of many other factors and risks, including basis risk, market volatility risks, risks arising when policies are close to renewal date, financial market conditions, hedging programme ineffectiveness, differences between assumptions and actual experience, operational risks and regulatory risks, all of which may have significant negative impacts on earnings, require significant adjustments of NN's hedging position that might negatively impact liquidity, and require increases in regulatory reserves and capital requirements, each of which could have a material adverse effect on NN's results of operations, solvency and financial condition.

*NN is exposed to the risk of claims from customers who feel misled or treated unfairly because of advice or information received.*

NN's life insurance, non-life insurance, banking, investment and pension products and advice services for third party products are exposed to claims from customers who may allege that they have received misleading advice or other information from advisers (both internal and external) as to which products were most appropriate for them, or that the terms and conditions of the products, the nature of the products or the circumstances under which the products were

sold were misrepresented to them. When new financial products are brought to the market, NN engages in a product approval process in connection with the development of such products, including production of appropriate marketing and communication materials. Notwithstanding these processes, customers may make claims against NN if the products do not meet customer expectations. Customer protection regulations, as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices, influence customer expectations.

Products distributed through person-to-person sales forces have a higher exposure to these claims as the sales forces provide face-to-face financial planning and advisory services. Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with. While a considerable amount of time and resources have been invested in reviewing and assessing historic sales practices, and in the maintenance of risk management, and legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated.

Potential negative publicity associated with any sales practices, any compensation and/or settlement payable in respect of any such issues, such as the 2024 Settlement as defined in the risk factor *'Holders of products where the customer bears all or part of the investment risk, or consumer protection organisations on their behalf, have filed claims or proceedings against NN and other insurance companies and may continue to do so (...)'* and regulatory changes resulting from such issues may have a material adverse effect on NN's business, reputation, revenues, results of operations, solvency, financial condition and prospects.

#### **D. Business and strategic risks of the Group**

*Sales of life insurance products in the Netherlands are at a low level compared to historic sales levels that have led NN's existing book. NN can give no assurance that sales volumes of its life insurance products will increase in the future. Potential slow growth of, or further declines in, such sales volumes could, over time, have a material adverse effect on NN's revenues, results of operations and prospects.*

Sales of life insurance products in the Netherlands are at a low level compared to historic sales levels, mainly due to low interest rates; changes in tax laws that have made certain life insurance products less attractive to customers; changes in regulation on commissions that have made life insurance distribution less attractive to brokers; and a shift in focus of insurance companies, pension funds and employers away from traditional defined benefit pension schemes as low interest rates, and the guarantees that form part of these products, have increased the cost and made these products less attractive for employers providing such benefits. NN can give no assurance that sales volumes of its life insurance products, in the Netherlands and elsewhere, will increase in the future. In particular in relation to NN's individual life insurance business, which is to a large extent in run-off, NN can give no assurance that sales volumes will grow. Potential slow growth of, or further declines in, such sales volumes could have a material adverse effect on NN's revenues, results of operations and prospects.

*If NN is unable to successfully implement its strategy, or if NN's strategy does not yield the anticipated benefits, this may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects and NN may not achieve its targets. If one or more of the assumptions that NN has made in setting its targets are inaccurate, NN may be unable to achieve one or more of its targets.*



NN's strategy aims to generate capital and improve earnings via transformation, profitable growth and operating leverage in the Netherlands and in other segments. NN intends to operationally improve and selectively grow its insurance businesses in the Netherlands. If NN's strategy is not implemented successfully, or if NN's strategy does not yield the anticipated benefits, this could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects and NN may be unable to achieve its targets. For example, via the Delta Lloyd, VIVAT Non-Life, MetLife (Greece and Poland) and the insurance broker Heinenoord acquisitions in recent years, NN continued to grow its insurance businesses in the Netherlands and abroad, and also its distribution channels. If anticipated synergies of these acquisitions are not achieved, this may have a material adverse impact on the business of NN. Given evolving industry and markets NN also regularly assesses its individual businesses, in line with the aim to pursue long-term value creation that is beneficial to all stakeholders, which could lead to considering broader strategic options for some businesses within or outside of NN Group, like the sale of NN Investment Partners. If the disentanglement of any business considered for sale does not go as planned, this can have material adverse impact on the business on NN. The ability to successfully implement NN's strategy will also be impacted by factors such as general economic and business conditions, many of which are outside the control of NN. If one or more of the assumptions that NN has made in setting its targets are inaccurate, or if one or more of the risks described in this section occur, NN may be unable to achieve one or more of its targets.

*Because NN operates in highly competitive markets, it may lose its competitive position and market share, which may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

In each of NN's business lines, NN faces intense competition, including from domestic and foreign insurance companies, distributors, financial advisers, banks, asset managers and diversified financial institutions, both for the ultimate customers for NN's products and for distribution through third party distribution channels. NN competes based on a number of factors, including brand recognition, reputation, perceived financial strength and credit ratings, scope of distribution, quality of investment advice, quality of service, product features, investment performance of its products and price. A decline in NN's competitive position could have a material adverse effect on its business, revenues, results of operations, solvency, financial condition and prospects.

Recent years have seen further consolidation among companies in the financial services industry through acquisitions, (forced) takeovers and the formation of new alliances. Increased levels of consolidation have enhanced the competitive position of some of NN's competitors by broadening their product and services ranges, increasing their distribution channels and increasing their access to capital. Consolidation has also created larger competitors with lower (relative) operating costs and an ability to absorb greater risk more competitively, which could adversely affect NN's ability to obtain new, or retain existing, customers, or its ability to adjust prices. These competitive pressures could result in increased pressure on product pricing and commissions on a number of NN's products and services, which may adversely affect NN's operating margins, underwriting results and capital requirements, or reduce market share, any of which could have a material adverse effect on NN's business, revenues, results of operations and prospects.

Consumer demand, technological changes, regulatory changes and actions are the main factors affecting competition. Generally, NN could lose market share, incur losses on some or all of its activities and experience lower growth if it is unable to offer competitive, attractive and innovative products and services that are also profitable, does not choose the right product

offering or distribution strategy, fails to implement such a strategy successfully or fails to adhere or successfully adapt to such demands and changes.

Developing technologies are accelerating the introduction and prevalence of alternative distribution channels, particularly the internet. Such alternative distribution channels may also increase the possibility that new competitors whose competencies include the development and use of these alternative distribution channels may enter the markets in which NN operates.

*The continuing risk that one or more European countries could exit the eurozone or the EU could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.*

There remains a risk that certain European countries exit the eurozone. The possible exit from the eurozone of one or more European countries and the replacement of the euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of euro denominated contracts to which NN (or its counterparties) are a party and thereby potentially materially and adversely affect NN's (and/or its counterparties') liquidity, business, solvency and financial condition. Such uncertainties may include the risk that (a) a liability that was expected to be paid in euro is redenominated into a new currency (which may not be easily converted into other currencies without significant cost), (b) currencies in some European countries may devalue relative to others, (c) former eurozone member states may impose capital controls that would make it complicated, illegal or more costly to move capital out of such countries, and/or (d) some courts (in particular, courts in countries that have left the eurozone) may not recognise and/or enforce claims denominated in euro (and/or in any replacement currency). The possible exit from the eurozone of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. As a result, the occurrence of one or more of these events could have a material adverse effect on the business, results of operations, solvency, financial condition and prospects of NN and its counterparties.

*A downgrade or a potential downgrade in NN's credit or financial strength ratings could have a material adverse effect on NN's ability to raise additional capital, or increase the cost of additional capital, and could result in, amongst others, a loss of existing or potential business (including losses on customer withdrawals) and decreased liquidity, each of which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

In general, credit and financial strength ratings are important factors affecting public confidence in insurers, and are as such important to NN's ability to sell its products and services to existing and potential customers. Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy, and are typically referred to "claims-paying ability" ratings.

The Issuer has the following counterparty credit ratings: S&P: A- (last affirmed on 23 May 2024, when S&P regarded the outlook as "Stable"); Fitch: A+ (last affirmed on 6 November 2024, when Fitch regarded the outlook as "Stable"). Furthermore, the Issuer withdrew its solicited credit rating from Moody's on 18 May 2016 and is now rated by Moody's on an unsolicited basis.

The following operating subsidiaries of the Issuer are the only operating subsidiaries with credit ratings from S&P:

- Nationale-Nederlanden Bank N.V. (NN Bank) has the following long-term issuer credit rating: A, with stable outlook (last affirmed on 23 May 2024).
- NN Re (Netherlands) N.V. has the following financial strength rating: A+, with stable outlook (last affirmed on 23 May 2024).
- NN Life Insurance Company, Ltd. (NN Japan) has the following financial strength rating: A, with stable outlook (last affirmed on 24 June 2024).

Rating agencies review insurers' ability to meet their obligations (including to policyholders and their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. While most of the factors are specific to the rated company, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company's control. Such factors might also include a downgrade of the sovereign credit rating of the Netherlands as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of a corporate issuer. Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain rating levels. NN may need to take actions in response to changing rating methodologies, standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of NN. NN cannot predict what additional actions rating agencies may take, or what actions NN may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects. A downgrade in NN's credit ratings could (a) make it more difficult or more costly to access additional debt and equity capital, (b) increase collateral requirements, give rise to additional payments, or afford termination rights, to counterparties under derivative contracts or other agreements, and (c) impair, or cause the termination of, NN's relationships with customers, creditors, distributors, reinsurers or trading counterparties, each of which may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN's primary distribution channel is its network of intermediaries, tied agents and bancassurance. A failure by NN to maintain a competitive distribution network, or to attain a market share of new sales and distribution channels that is comparative to its market share of traditional channels, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN's primary distribution channel is its network of intermediaries (which includes independent agents and mandated brokers), tied agents and bancassurance through which it sells and distributes its products. The intermediaries and bancassurance parties through whom NN sells and distributes its products are mostly independent of NN, with the exception of NN Bank and NN-owned intermediaries (e.g. Heinenoord and Zicht). Moreover, NN does not have exclusivity agreements with intermediaries or with some of its bancassurance parties, so they are free to offer products from other insurance companies and there is no obligation to favour NN products. The successful distribution of NN products therefore depends in part on the choices an intermediary or bancassurance party may make as regards its preferred insurance company or companies, and as regards its preferred products and services.

A failure by NN to maintain a competitive distribution network, including participation in, or the development of, an internet-based platform to maintain its market share of new sales through this distribution channel compared to its market share of traditional channels, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN's hedging programmes may prove inadequate or ineffective for the risks they address, which could have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.*

NN employs hedging programmes with the objective of mitigating risks inherent in its business and operations. These risks include current or future changes in the fair value of NN's assets and liabilities, current or future changes in cash flows, the effect of interest rates, equity markets and credit spread changes, the occurrence of credit defaults, and currency exchange fluctuations. As part of its risk management strategy, NN employs hedging programmes to control these risks by entering into derivative financial instruments, such as swaps, options, futures and forward contracts.

Developing an effective strategy for dealing with the risks described above is complex, and no strategy can completely protect NN from such risks. Each of NN's hedging programmes is based on financial market and customer behaviour models using, amongst others, statistics, observed historical market and customer behaviour, underlying fund performance, insurance policy terms and conditions, and NN's own judgement, expertise and experience. These models are complex and may not identify all exposures, may not accurately estimate the magnitude of identified exposures or may not accurately determine the effectiveness of the hedge instruments, or fail to update hedge positions quickly enough to effectively respond to market movements. Furthermore, the effectiveness of these models depends on information regarding markets, customers, fund values, NN's insurance portfolio and other matters, each of which may not always be accurate, complete, up to date or properly evaluated. Hedging programmes also involve transaction and other costs, and, if NN terminates a hedging arrangement, it may be required to pay additional costs, such as transaction fees or breakage costs. NN may incur losses on transactions after taking into account hedging strategies. Although NN has developed policies and procedures to identify, monitor and manage risks associated with these hedging programmes, the hedging programmes may not be effective in mitigating the risk that they are intended to hedge, particularly during periods of financial market volatility.

Furthermore, the derivative counterparty in a hedging transaction may default on its obligations. Although it is NN's policy to fully collateralise derivative contracts, and differences in market value of the collateral are settled between the relevant parties on a daily basis, it is still exposed to counterparty default risk. For instance, when a derivative counterparty would default on its obligations prior to the settlement date of a contract, NN may have to replace the contract with another counterparty at the then prevailing market price, thereby incurring a loss in case of an adverse market movement during the replacement period. NN manages this inherent risk to bilateral OTC derivative contracts by setting risk limits per counterparty, taking into account the creditworthiness of the counterparty and the estimated replacement cost risk in case of a counterparty default. This risk has decreased for new interest rate and credit derivatives due to a shift to a central clearing model, which was a key element in reducing counterparty risk between financial institutions, as the central counterparty interposes itself between the two counterparties in a derivative contract.

NN is also dependent on third parties for the daily calculation of the market values of the derivative collateral. If these third parties (mostly large institutions) miscalculate the collateral required and the counterparty fails to fulfil its obligations under the derivative contract, it could

result in unexpected losses, which could have a material adverse effect on the business, revenues, results of operations, solvency and financial condition of NN. In addition to this, NN has to ensure sufficient liquidity levels are maintained to meet collateral requirements. NN's inability to manage risks successfully through derivatives (including a single counterparty's default and the systemic risk that a default is transmitted from counterparty to counterparty) could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN is exposed to the risk of damage to its brands and its reputation.*

NN's business and results of operations are, to a certain extent, dependent on the strength of its brands and NN's reputation. NN and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. NN is exposed to the risk that litigation (such as in connection with mis-selling), employee fraud and other misconduct, operational failures, the negative outcome of regulatory investigations, press speculation and negative publicity, amongst others, whether or not founded, could damage its brands or reputation. Please also refer to the risk factor '*Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects*', which could in part also lead to damage of the Issuer's brands and reputation as described in this risk factor.

Any of NN's brands or reputation could also be harmed if products or services recommended by NN (or any of its intermediaries) do not perform as expected or do not otherwise meet customer expectations (whether or not the expectations are founded), or the customer's expectations for the product change.

Negative publicity could be based, for instance, on allegations that NN failed to comply with regulatory requirements or result from failures in business continuity or the performance of NN's information technology (IT) systems, loss of customer data or confidential information, unsatisfactory service (support) levels, or insufficient transparency or disclosure of cost allocation (cost loading). Negative publicity adversely affecting NN's brands or its reputation could also result from any misconduct or malpractice by intermediaries, business promoters or other third parties linked to NN (such as strategic partners). Furthermore, negative publicity, and damage to NN's brands or reputation, could result from allegations that NN has invested in, or otherwise done business with, entities and individuals that are, or which become, subject to political or economic sanctions or are blacklisted, or which do not meet environmental and social responsibility standards.

Any damage to NN's brands or reputation could cause existing customers or intermediaries to withdraw their business from NN and potential customers or intermediaries to be reluctant or elect not to do business with NN. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of NN, which could make it more difficult for NN to maintain its credit ratings, which is an important factor for both intermediaries and customers when considering what insurance company to do business with. Any damage to NN's brands or reputation could cause disproportionate damage to NN's business, even if the negative publicity is factually inaccurate or unfounded.

*Potential prolonged investment underperformance of NN's AuM, or the loss of key investment management personnel by NN's asset managers, may cause existing customers to withdraw funds and potential customers not to grant investment mandates, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

When buying investment products or selecting an investment manager, customers (including pension funds and intermediaries) typically consider, among others, the historic investment performance of the product and the individual who is responsible for managing the particular fund. This is also true in relation to certain investment products sold by NN's life insurance, pension and banking business. In the event that NN does not provide satisfactory or appropriate investment returns now or in the future, underperforms in relation to its competitors or does not sell an investment product which a customer requires or is deemed suitable, existing customers (including pension funds) may decide to reduce or liquidate their investment, negotiate alterations of their existing agreements with NN, or transfer their mandates to another investment manager. Each of these results may also occur if NN's asset managers were to lose key investment management personnel, or an entire fund management team, as this may impair customer confidence levels in the particular fund or asset class. In addition, potential customers may decide not to grant investment mandates. As the portfolio management fees charged by NN to its customers are based largely on the value of AuM, a potential prolonged period of investment underperformance, or a decline in AuM for the other reasons noted above, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*Previously unknown risks, so-called "emerging risks", which cannot be reliably assessed, could lead to unforeseeable claims, which could have a material adverse effect on NN's business, results of operations, solvency and financial condition.*

The term "emerging risks" is used in the insurance industry to refer to previously unknown risks that could cause substantial future losses and, therefore, are of major concern to insurance companies. Even more so than traditional risks, emerging risks are difficult to analyse because they often exist as hidden risks. Insurance premiums for emerging risks are difficult to calculate due to a lack of historical data about, or experience with, such risks or their consequences. At present, the consequences of potential worldwide climate change are considered emerging risks. There is a wide scientific consensus, and a growing public conviction, that globally increasing emissions of greenhouse gases, especially carbon dioxide, are causing an increase in average worldwide surface temperatures. This increase in average temperatures could increase the frequency of hurricanes, floods, droughts and forest fires, and could cause sea levels to rise due to the melting of the polar ice caps. Other examples of emerging risks are demographic changes (such as the aging of the population), epidemics and pandemics, and risks that may arise from the development of artificial intelligence, nanotechnology and genetic engineering.

Despite its efforts at early identification and continuous monitoring of emerging risks, NN cannot give any assurance that it has been or will be able to identify all emerging risks and to implement pricing and reserving measures to avoid or minimise claims exposure to them. Defects and inadequacies in the identification and response to emerging risks could lead to unforeseen policy claims and benefits and could have a material adverse effect on NN's business, results of operations, financial condition and prospects.

## **E. Regulatory and Litigation Risks**

*NN is subject to comprehensive laws and regulations, and to supervision by many regulatory authorities that have broad administrative powers over NN. These laws and regulations have been and will be subject to changes, which may result in significant implementation and monitoring costs. Failure to comply with applicable laws and regulations may result in monetary and reputational damages, which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN is subject to comprehensive insurance, investment management, banking, pension and other financial services laws and regulations, and to supervision by many regulatory authorities that have broad administrative and discretionary power over NN. Amongst others, the laws and regulations to which NN is subject concern: capital adequacy requirements; liquidity requirements; permitted investments; the distribution of dividends, product and sales suitability; product distribution; payment processing; employment practices; remuneration; sustainability; ethical standards; anti-money laundering; anti-terrorism measures; prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted; digital operational resilience; anti-corruption; privacy and confidentiality; recordkeeping and financial reporting; price controls, and exchange controls. For more details on some of the supervision and regulation applicable to NN, we refer to “*Description of the Issuer – Supervision and regulation applicable to NN’s business*”.

The laws and regulations to which NN is subject are becoming increasingly more extensive and complex and regulators are closely monitoring and scrutinising the industries in which NN operates, and on NN itself, placing an increasing burden on NN’s resources and expertise, and requiring implementation and monitoring measures that are costly. For example, following the release of the EU Action Plan on Sustainable Finance in March 2018, numerous sustainability rules are introduced. These rules are not only in the field of product disclosures following the implementation of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (**SFDR**) and adjustments in IDD, Solvency II, MiFID and PRIIPS, but also, for example, in the field of non-financial reporting (f.e. Directive (EU) 2022/2464 (**Corporate Sustainability Reporting Directive**)) and how to consider climate risks in NN Group’s (risk) governance. Next to these rules (which are already in place) NN will have to implement due diligence measures in the near future, for its own operations, the operations of the subsidiaries and the operations of business partners in order to identify and mitigate the adverse human rights and environmental impacts of those operations (Directive (EU) 2024/1760 (**Corporate Sustainability Due Diligence**)). In some cases, the laws and regulations to which NN is subject have increased because governments are increasingly enacting laws that have an extra-territorial scope.

Regulations to which NN is, and may be, subject may limit NN’s activities, including through its net capital, customer protection and market conduct requirements, may negatively impact NN’s ability to make autonomous decisions in relation to its businesses and may limit the information to which NN has access in relation to those businesses, and result in restrictions on businesses in which NN can operate or invest, each of which may have a material adverse effect on NN’s business, results of operations and prospects. As compliance with applicable laws and regulations is time-consuming and personnel-intensive, and further changes in laws and regulations are anticipated, the cost of compliance has increased and is expected to continue to increase.

Laws, regulations and policies currently governing NN have changed, and may continue to change in ways which may have a material adverse effect on NN’s business, revenues, results of operations, solvency, financial condition and prospects. NN cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have. Insurance regulators, including DNB, generally have broad discretion in interpreting, applying and enforcing the rules and regulations with respect to solvency and legal and regulatory capital requirements, for example by limiting or prohibiting the issuance of new business, prohibiting payment of dividends, deferring or cancelling the payment of interest on certain types of securities or, in extreme cases, putting the company into rehabilitation or insolvency proceedings. In times of significant market turmoil, regulators may become more conservative in the interpretation, application and enforcement of these rules and

regulations. As evidenced during COVID-19 pandemic, insurance regulators stressed the importance for insurers to hold additional safety buffers and made recommendations to insurers to withhold shareholder distributions such as dividend and share buyback programmes. Also, according to the amendments to the Level I text of the Solvency II Directive, power would be provided to the supervisory authorities amongst others to restrict or suspend dividend distributions, repayment, redemption or other payments to subordinated creditors, which may include holders of restricted Tier 1 securities, in certain circumstances. The latter includes reinforcing liquidity position of an insurer or preserve the financial position of individual insurers during periods of exceptions sector-wide shocks. We note that the amendments have not yet been implemented in the member states' laws and furthermore, some key aspects will be clarified only later in the upcoming Level II (Delegated Acts), which can lead to further changes.

Financial regulation in the Member States in which NN operates is mainly based on EU directives. However, differences may occur in the regulations of various Member States, and such differences between the regulations of Member States may place NN's business at a competitive disadvantage in comparison to other European financial services groups.

NN may fail to comply with applicable laws and regulations as a result of human or other operational errors in their implementation, unclear regulations, regulations being subject to multiple interpretations or being under development, or as a result of a shift in the interpretation or application of laws and regulations (including EU Directives) by regulators. Failure to comply with any applicable laws and regulations could subject NN to administrative penalties and other enforcement measures imposed by a particular governmental or self-regulatory authority, and could lead to unanticipated costs associated with remedying such failures (including claims from NN customers) and adverse publicity, harm NN's reputation, cause temporary interruption of operations and cause revocation or temporary suspension of the licence. Each of these risks, should they materialise, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*The impact on NN of ongoing financial regulatory reform initiatives is uncertain.*

Financial regulatory reform initiatives could have adverse consequences for the financial services industry generally, including NN.

The continuing introduction of new regulations, if applicable to NN, could significantly impact the manner in which it operates and could materially and adversely impact the profitability of one or more of NN's business lines or the level of capital required to support its activities. New laws may include the expropriation or nationalisation of assets of NN or its customers (as has occurred in connection with the pension regime reform in Poland). Although the full impact of the regulations described above cannot be determined, including as a result of discretions granted to regulators, uncertainties as to the interpretation and implementation of the regulations by regulators and governmental bodies and, in the case of regulations that have not yet been finalised, until the content of the regulations themselves has become clear, many of their requirements could have material and adverse consequences for the financial services industry, including for NN. These regulations could make it more expensive for NN to conduct its business, require that NN makes changes to its business model, require that NN satisfies increased capital requirements, necessitate time-consuming and costly implementation measures, or subject NN to greater regulatory scrutiny, which could, individually or in the aggregate, have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.



*NN is required to comply with Solvency II, the Solvency II framework has been reviewed in the past, is currently under review, and is subject to future review(s), and it is not possible to fully anticipate the (potential) changes from Solvency II review(s), if any, will be, and consequently, what the impact would be on NN or on the rights of the Securityholders.*

As of 1 January 2016, the solvency framework and prudential regime, known as “Solvency II”, has become applicable to insurance companies, reinsurance companies, insurance holding and mixed financial holding companies. The framework for Solvency II is set out in the Solvency II Directive, which was adopted by the European Council on 10 November 2009 (Directive 2009/138/EC).

Solvency II introduced economic risk-based solvency requirements across all Member States for the first time. In addition to these quantitative requirements (Pillar 1), Solvency II also sets requirements for governance, risk management and effective supervision (Pillar 2), and disclosure and transparency requirements (Pillar 3).

On 5 April 2017, EIOPA published an updated methodology to derive the Ultimate Forward Rate (UFR). In line with this methodology, the UFR for the euro remained in 2025 at the same level as in 2024 at 3.3%.

The European Commission may adopt and consequently publish further implementing acts regarding the UFR for the euro or other currencies. Changes to the UFR may have a significant impact resulting in a decrease of the Solvency II ratio of the Issuer. In particular, the Issuer’s Dutch life insurance business may be affected by such changes due to the long-term liabilities of these entities in relation to products offered in the context of the life insurance business. Furthermore, any further decreases of the UFR in the coming years will likely result in decrease of own funds and higher capital requirements for the Issuer going forward.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is a risk of differences in interpretation and application of Solvency II requirement by financial services regulators, resulting in an unequal competitive landscape. This risk may be exacerbated by powers afforded to financial services regulators in Member States that go beyond those set by Solvency II.

In 2020, a review of the Solvency II Directive has started to take place. The Solvency II 2020 review covers a wide range of aspects of the Solvency II framework which might have an impact on the Issuer’s Solvency II ratio. In this context, on 11 February 2019, the European Commission has requested EIOPA to provide technical advice in a number of areas, including:

- the long-term guarantee measures, including the functioning of the matching adjustment and the volatility adjustment;
- methodology for extrapolation of the risk-free interest rate term structure including last liquid point;
- considering updates to Standard Formula shocks and correlations and Minimum Capital Requirements;
- the functioning of the dynamic volatility adjustment;
- the appropriateness of the design of the risk margin;
- group supervision;

- recovery and resolution; and
- other items related to the supervision of insurance and reinsurance undertakings.

The European Parliament (EP) approved the draft proposed amendments to the Level I text of Solvency II Directive on 23 April 2024. On 5 November 2024, the Council adopted these amendments to the Solvency II Directive. The directive was published in the EU's Official Journal on 8 January 2025. The new rules will be applicable as from 30 January 2027. The details of the new rules are not fully known yet and some key aspects in the new rules will not be detailed out in Level I, but will be clarified later in the process (part of Level II and III). Finalisation of the legislative process can lead to further changes. Additionally, future market conditions are unknown. Therefore it is not possible to fully determine what impact these legislative developments would have on NN and, consequently, on the rights of the Securityholders, but depending on the nature of the changes, these could have a material adverse effect on NN's solvency and financial condition.

*NN is subject to stress tests and other regulatory enquiries. Stress tests and the announcement of the results by regulatory authorities can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. Such stress tests, and the announcement of the results, could negatively impact NN's reputation and financing costs and trigger enforcement actions by regulatory authorities.*

In order to assess the level of available capital in the insurance sector, the national and supra-national regulatory authorities (such as EIOPA) require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers. Announcements by regulatory authorities that they intend to carry out such tests can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that NN's results in such a calculation or test are worse than those of its competitors and these results become known, this could also have adverse effects on NN's financing costs, customer demand for NN's products and NN's reputation. Furthermore, a poor result by NN in such calculations or tests could influence regulatory authorities in the exercise of their discretionary powers.

*Adverse publicity, claims and allegations, litigation and regulatory investigations and sanctions may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN is subject to litigation, arbitration and other claims and allegations, concerning, among others, the charge and disclosure of costs, commissions, premiums, (default) interest and transparency in respect of certain products and services and the risks relating thereto. The occurrence of such events could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect NN's ability to attract and retain customers and maintain its access to the capital markets, result in cease-and-desist orders, claims, enforcement actions, fines and civil and criminal penalties, other disciplinary action, or have other material adverse effects on NN in ways that are not predictable.

Over time, the legal and regulatory requirements and expectations of various stakeholders, including customers, regulators and the public at large, as well as standards and market practice, have developed and changed, leading to increasing customer protection. As a result, customers have claimed and may in the future claim that products sold in the past fail to meet current requirements and expectations and that NN or any other financial institution(s) have failed to meet the required level of transparency where it concerns, for instance, cost charges, interest, product characteristics and related risks. In any such proceedings, it cannot be excluded that the

relevant court, regulator, governmental authority or other decision-making body will apply current norms, requirements, expectations, standards and market practices on laws and regulations to products sold, issued or advised on by NN.

Some claims and allegations may be brought by or on behalf of a class (a collective action), and claimants may seek large or indeterminate amounts of damages, including compensatory, liquidated, treble and punitive damages. In the Netherlands, the number and size of claims that are the subject of litigation, regulatory proceedings and other adversarial proceedings (including, without limitation, collective actions) against financial institutions are increasing following the entry into force of the Settling of Large-scale Losses or Damage (Class Actions) Act (*Wet afwikkeling massaschade in collectieve actie*) on 1 January 2020 followed by the implementation of the Representative Actions Directive (EU) 2020/1828 on 25 June 2023 on the basis of which it is possible to collectively claim damages arising from events on or after 15 November 2016 through a collective action. For claims arising from events occurred before 15 November 2016, a collective action initiated in the Netherlands has as a main characteristic that a plaintiff cannot claim damages on behalf of a class of disadvantaged parties. Instead, Dutch law entitles claims organisations to demand other relief, most importantly, a ‘declaration of law’ by the court that a certain action was unlawful. Such declaration can then form the basis for an award for damages in individual cases. A declaration of law may also serve as a basis for negotiations between the defendant against which the declaration of law has been awarded and claims organisations representing disadvantaged parties, to come to a collective monetary settlement which can subsequently be declared binding by the Court of Appeal in Amsterdam and applied to the entire class of disadvantaged parties. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services in which NN acts as principal, intermediary or otherwise. NN’s reserves for litigation liabilities may prove to be inadequate. Claims and allegations, should they become public, need not be well founded, true or successful to have a negative impact on NN’s reputation. In addition, press reports and other public statements that assert some form of wrongdoing on the part of NN or other large and well-known companies (including as result of financial reporting irregularities) could result in adverse publicity and in inquiries or investigations by regulators, legislators and law enforcement officials, and responding to these inquiries and investigations, regardless of their ultimate outcome, is time-consuming and expensive.

Adverse publicity, claims and allegations (whether on an individual or collective basis), litigation and regulatory investigations and sanctions may have a material adverse effect on NN’s business, revenues, results of operations, solvency, financial condition and prospects in any given period. Adverse publicity could in part also lead to damage of the Issuer’s brands and reputation. For further description of this risk, please refer to the risk factor ‘*NN is exposed to the risk of damage to its brands and its reputation*’.

*Holders of products where the customer bears all or part of the investment risk, or consumer protection organisations on their behalf, have filed claims or proceedings against NN and other insurance companies and may continue to do so. A negative outcome of such claims and proceedings brought by customers or organisations acting on their behalf against NN or other insurers, actions taken by regulators or governmental authorities against NN, settlements or any other actions for the benefit of customers by other insurers and sector-wide measures could substantially affect NN’s insurance business and, as a result, may have a material adverse effect on NN’s business, reputation, revenues, results of operations, solvency, financial condition and prospects. In addition, claims and proceedings may be brought against NN in respect of other products with one or more similar product characteristics sold, issued or advised on by NN in and outside the Netherlands.*

Since the end of 2006, unit-linked products (commonly referred to in Dutch as ‘beleggingsverzekeringen’) have received negative attention in the Dutch media, from the Dutch Parliament, the AFM and consumer protection organisations. Costs of unit-linked products sold in the past are perceived as too high and Dutch insurers are in general being accused of being insufficiently transparent in their offering of such unit-linked products. The criticism on unit-linked products led to the introduction of compensation schemes by Dutch insurance companies that have offered unit-linked products. In 2008 and 2010, Nationale-Nederlanden and Delta Lloyd (and ABN AMRO Levensverzekering in 2010) reached agreements with consumer protection organisations to offer compensation to unit-linked policyholders. In addition, on 9 January 2024, Nationale-Nederlanden announced a settlement with consumer protection organisations ConsumentenClaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and Consumentenbond (the **Consumer Protection Organisations**) regarding unit-linked products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Levensverzekering (the **2024 Settlement**). See also “*Description of the Issuer - Legal Proceedings - General - Unit-linked products in the Netherlands*”. The 2024 Settlement relates to all unit-linked products of policyholders affiliated with the Consumer Protection Organisations and is subject to a 90% acceptance rate of affiliated policyholders that have received an individual proposal for compensation (the **Acceptance Rate**). As part of the 2024 Settlement, all pending (collective) proceedings with respect to unit-linked products against Nationale-Nederlanden will be discontinued if and when the settlement is executed, which is currently anticipated before end 2025. The pending collective proceedings against Nationale-Nederlanden with respect to unit-linked products are referenced in “*Description of the Issuer - Legal Proceedings - General - Unit-linked products in the Netherlands*”. The 2024 Settlement also includes that no new legal proceedings may be initiated against Nationale-Nederlanden by the Consumer Protection Organisations or their affiliated parties. In addition, NN has recognised a separate provision for hardship cases, and policyholders that are not affiliated with the Consumer Protection Organisations and who have not previously received compensation. There is a risk that the Acceptance Rate is not met in which case NN and each of the Consumer Protection Organisations have the right to withdraw from the 2024 Settlement. Furthermore, there is a risk that policyholders that are not affiliated with the Consumer Protection Organisations, either individually or represented by other and/or new interest groups, interested parties or claims organisations, initiate new (collective) proceedings against Nationale-Nederlanden in relation to unit-linked products.

Nationale-Nederlanden, Delta Lloyd and ABN AMRO Levensverzekering have issued or sold approximately 1 million, 700 thousand and 550 thousand individual unit-linked policies respectively.

As at 31 December 2024, the portfolio of Nationale-Nederlanden (including Delta Lloyd and ABN AMRO Levensverzekering) comprised approximately 285 thousand active unit-linked policies. The portfolio of Nationale-Nederlanden differs in composition, product features, terms and conditions and other factors.

As noted above, there has been for some time, and there continues to be, political, regulatory and public attention focused on the unit-linked issue in general. Elements of unit-linked policies are being challenged or may be challenged on multiple legal grounds in current and future legal proceedings and there is a risk that one or more of these legal challenges will succeed.

NN is currently subject to legal proceedings initiated by individual policyholders and is subject of a number of claims initiatives brought on behalf of policyholders by consumer protection organisations. See also “*Description of the Issuer - Legal Proceedings - General - Unit-linked products in the Netherlands*”. While, to date, less than 100 complaints are pending against the

Issuer's Dutch insurance subsidiaries before the Financial Services Complaints Board (the **Kifid**), and on 31 December 2024 less than 1,500 individual settlements were made, there is no assurance that further proceedings for damages will not be brought. The timing of reaching any finality in last instance on these pending legal claims and proceedings is uncertain. If and when the 2024 Settlement is executed, all pending proceedings with respect to unit-linked products initiated by the Consumer Protection Organisations against Nationale-Nederlanden will be discontinued.

Rulings or announcements made by courts, or decision-making bodies or actions taken by regulators or governmental authorities against the Issuer's Dutch insurance subsidiaries or other Dutch insurance companies in respect of unit-linked products, or settlements or any other actions to the benefit of customers (including product improvements or repairs) by other Dutch insurance companies towards consumers, consumer protection organisations, regulatory or governmental authorities or other decision making bodies in respect of the unit-linked products, may affect the (legal) position of the Issuer's Dutch insurance subsidiaries and may force such subsidiaries to take (financial) measures that could have a substantial impact on the financial condition, results of operations, solvency or reputation of the Issuer and its subsidiaries. Adverse decisions or the occurrence of any of the developments as described above could result in outcomes materially different than if the Issuer's Dutch insurance subsidiaries or its products had been judged or negotiated solely on their own merits.

The Issuer's Dutch insurance subsidiaries have in the past sold, issued or advised on unit-linked products in and outside the Netherlands, and in certain jurisdictions continue to do so. Moreover, NN has in the past, in the Netherlands and other countries, sold, issued or advised on large numbers of insurance or investment products of its own or of third parties (and in some jurisdictions continues to do so) that have one or more product characteristics similar to those unit-linked products that have been the subject of the scrutiny, adverse publicity and claims in the Netherlands. Given the continuous political, regulatory and public attention on the unit-linked issue in the Netherlands, the increase in legal proceedings and claim initiatives in the Netherlands or the legislative and regulatory developments in Europe to further increase and strengthen consumer protection in general and in particular in relation to unit-linked and other insurance and investment products, there is a risk that unit-linked products and other insurance and investment products sold, issued or advised on by the Issuer's insurance subsidiaries may become subject to the same or similar levels of regulatory or political scrutiny, publicity and claims or actions by consumers, consumer protection organisations, regulators or governmental authorities.

The financial consequences of any of these factors or a combination thereof could be substantial for the Dutch insurance business of the Issuer and, as a result, may have a material adverse effect on the Issuer's business, reputation, revenues, results of operations, solvency, financial condition and prospects.

*The Issuer and its regulated subsidiaries are required to maintain significant levels of capital and to comply with a number of legal and regulatory requirements relating thereto. If the Issuer or its regulated subsidiaries were in danger of failing, or fail, to meet legal and regulatory capital requirements or to maintain sufficient assets to satisfy certain regulatory requirements, the supervisory authorities have broad authority to require them to take steps to protect policyholders and other clients and to compensate for capital shortfalls and to limit the ability of the Issuer's subsidiaries to pay dividends or distributions to the Issuer.*

The Issuer and its regulated subsidiaries are required to maintain significant levels of capital and to comply with a number of legal and regulatory requirements relating thereto. NN's supervisory authorities could require it to take remedial action if the Issuer or any of its

regulated subsidiaries breaches or is at risk of breaching any of the legal and regulatory capital requirements. Amongst others, such breaches could be as a result of new legal and regulatory requirements, including Solvency II, or as a result of material adverse developments in the legal proceedings associated with the Dutch unit-linked policies or any of the legal and regulatory developments described above. In addition, the supervisory authorities could decide to increase the legal and regulatory capital requirements of the Issuer or any of its regulated subsidiaries, or the level of NN's regulatory capital may decrease as a result of a change or difference in the interpretation or application of principle-based legal and regulatory requirements, including solvency requirements, by or between NN and the supervisory authorities. In this regard, DNB may give instructions on the interpretation of the legal and regulatory requirements, including solvency requirements, and the application of the Issuer's funds to strengthen the capital position of its Dutch regulated subsidiaries to levels above legal and regulatory capital requirements, any of which may affect the ability of the Issuer to meet its obligations to its creditors, including Securityholders. Remedial action could include working closely with the authorities to protect policyholders' interests and to restore the Issuer's or the individual subsidiary's capital and solvency positions to acceptable levels and to ensure that the financial resources necessary to meet obligations to policyholders are maintained. In taking any such remedial action, the interests of the policyholders would take precedence over those of Securityholders.

If NN is unable to meet its legal and regulatory requirements by redeploying existing available capital, it would have to consider taking other measures to protect its capital and solvency position. These measures might include divesting parts of its business, which may be difficult or costly or result in a significant loss. NN might also have to raise additional capital in the form of subordinated debt or equity.

Raising additional capital from external sources might be impossible due to factors outside NN's control, such as market conditions, or it might be possible only on unfavourable terms. Any of these measures could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects. If the legal and regulatory requirements are not met (because NN could not take appropriate measures or because the measures were not sufficiently effective), NN could lose any of its licences and hence be forced to cease some or all of its business operations.

The capital requirements applicable to NN are subject to ongoing regulatory change. A breach of capital requirements may also limit the ability of a regulated subsidiary to pay dividends or distributions to the Issuer.

*Changes in tax laws could materially impact NN's tax position which could affect the ability of the Issuer to make payments to Securityholders and the ability of the Issuer's subsidiaries to make direct and indirect distributions to the Issuer. Changes in tax laws may make some of NN's insurance, pensions, investment management and banking products less attractive to customers, decreasing demand for certain of NN's products and increasing surrenders of certain of NN's in-force life insurance policies, which may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

Changes in the applicable tax legislation, in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation, specifically with respect to taxation of insurance companies, could lead to a higher tax burden on NN, materially impact NN's tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities, and could have a material adverse effect on NN's business, results of operations, solvency and financial condition.

Under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 commonly referred to as the Foreign Account Tax Compliance Act (**FATCA**), a new reporting regime is imposed, which may lead to a compliance risk of the Issuer, and potentially a 30 per cent. withholding tax will be imposed on “passthru payments” made to certain non-U.S. financial institutions that fail to provide certain information regarding their U.S. accountholders and certain U.S. investors to the U.S. Internal Revenue Service (**IRS**). Some countries (including the Netherlands) have entered into, and other countries are expected to enter into, intergovernmental agreements (**IGAs**) with the U.S. to facilitate the type of information reporting required under FATCA. IGAs will often require financial institutions in those countries to report some information on their U.S. accountholders to the taxing authorities of those countries, which will then pass the information on to the IRS.

NN is a financial institution for purposes of FATCA and the IGA between the U.S. and the Netherlands. NN has taken all necessary steps to comply with FATCA and any legislation implementing an IGA or, if and to the extent necessary, entered into an agreement with the IRS to facilitate compliance with FATCA. If NN or one of its subsidiaries is not FATCA compliant, NN could face certain withholding penalties. The FATCA protocol should also mitigate the risk that NN or one of its subsidiaries enters into a relationship with a U.S. tax evader. This may lead to reputational damage, regulatory fines, loss of market share, financial losses and legal risk.

Amendments to applicable laws, orders and regulations may be issued or altered with retroactive effect. Additionally, tax authorities may change their interpretations of tax laws at any time, which may lead to a higher tax burden on NN. While changes in taxation laws would affect the insurance sector as a whole, changes may be more detrimental to particular operators in the industry.

A higher tax burden on NN could negatively impact both the ability of the Issuer to make payments to Securityholders and the ability of the Issuer’s subsidiaries to make direct and indirect distributions to the Issuer, which may in turn adversely impact the ability of the Issuer to make payments to Securityholders. Similarly, the design of certain of NN’s products is predicated on tax legislation valid at that time and these products may be attractive to customers because they afford certain tax benefits, for example, the ability to deduct under certain conditions their payments from their taxable income. Future changes in tax legislation or its interpretation or changes in tax rates may, when applied to these products, have a material adverse effect on policyholder returns and NN’s customers’ demand for these products, including insurance, pensions, investment management and banking products. Specifically, in Japan, the Japanese National Tax Agency (NTA) notified the insurance industry in the first quarter of 2019 that it will revise the regulations for the tax deductibility of certain SME Life insurance products for SME-owners. In line with the industry, NN Japan has suspended sales of these SME Life insurance products. NN Japan expects that the revised regulations will lead to changes in the product offerings in the SME Life insurance market, including lower SME Life insurance sales in the near term.

Moreover, changes in governmental policy, such as in relation to government subsidised pension plans, or changes in local tax or legal regulations, such as changes in taxation of certain life and health insurance products, may affect NN’s clients’ ability or willingness to do business with NN and may thus adversely affect demand of NN’s insurance products or result in increased surrenders of certain of NN’s in-force life insurance policies.

Any of these developments could have a material adverse effect on NN’s business, revenues, results of operations, solvency, financial condition and prospects.

## **F. Operational Risks**

*NN is subject to operational risks, which can originate from inadequate or failed internal NN processes and systems, the conduct of NN personnel and third parties, and from external events that are beyond NN's control. NN's policies and procedures may be inadequate, or may otherwise not be fully effective. Should operational risks occur, they may have a material adverse effect on NN's business, revenues, results of operations, solvency and financial condition.*

NN is subject to operational risks, which are the risks that can originate from inadequate or failed internal NN processes and systems, the conduct of NN personnel and third parties (including intermediaries, tied agents and other persons engaged by NN to sell and distribute its products and to provide other services to NN), and from external events that are beyond NN's control. NN's internal processes and systems may be inadequate or may otherwise fail to be fully effective due to the failure by NN personnel and third parties (including intermediaries, tied agents and other persons engaged by NN to sell and distribute its products and to provide other services to NN) to comply with internal business policies or guidelines, and (unintentional) human error (including during transaction processing), which may result in, among others: the incorrect or incomplete storage of files, data and important information (including confidential customer information); inadequate documentation of contracts; mistakes in the settlement of claims (for instance, where a claim is incorrectly assessed as valid, or where the insured receives an amount in excess of that to which the insured is entitled under the relevant contract), and failures in the monitoring of the credit status of debtors. Potential instability in NN's operating environment due to the invasion of Ukraine by Russia in 2022 and a potential further escalation thereof, may increase operational risk, for example for NN's operations in countries neighbouring Ukraine.

NN has developed policies and procedures to identify, monitor and manage operational risks, and will continue to do so in the future. However, these policies and procedures may be inadequate, or may otherwise not be fully effective. Moreover, NN's geographical spread, as well as its decentralised governance and risk management structure, may lead to increased operational risks as the effectiveness of its risk management policies and procedures may be reduced for those business units that are situated far from the centralised risk management in the Netherlands.

If any of these operational risks were to occur, it could result in, amongst others, additional or increased costs, errors, fraud, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of existing customers, loss of potential customers and sales, loss of receivables and harm NN's reputation, any of which, alone or in the aggregate, could have a material adverse effect on NN's business, revenues, results of operations, solvency and financial condition.

*The occurrence of natural or man-made disasters may endanger the continuity of NN's business operations and the security of NN's employees, which may have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.*

NN is exposed to various risks arising from natural disasters (including hurricanes, floods, fires, earthquakes, including earthquakes in Japan, and pandemic diseases), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, military actions and power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of NN's business operations and the security of NN's employees, and may adversely affect NN's business, results of operations, solvency and financial condition by causing, among other things:



- disruptions of NN's normal business operations due to property damage, loss of life or disruption of public and private infrastructure, including information technology and communications services, and financial services;
- financial and income losses could impact certain industries which might lead to defaults on premium payments;
- losses in NN's investment portfolio due to significant volatility in global financial markets or the failure of counterparties to perform; and
- changes in the rates of mortality, longevity and morbidity, claims, premium holidays, withdrawals, lapses and surrenders of existing policies and contracts, as well as sales of new policies and contracts.

NN's business continuity and crisis management plan or its insurance coverage may not be effective in mitigating the negative impact on operations or profitability in the event of a natural or man-made disaster or core infrastructure failure. The business continuity and crisis management plans of NN's distributors and other third party vendors, on whom NN relies for certain distribution and other services and products, may also not be effective in mitigating any negative impact on the provision of such services and products in the event of such a disaster or failure. Claims resulting from such a disaster or failure could also materially harm the solvency and financial condition of NN's reinsurers, which would increase the probability of default on reinsurance recoveries and could also limit NN's ability to write new business.

*The loss of key personnel, and the failure to attract and retain key personnel with appropriate qualifications and experience, could have a material adverse effect on NN's business and impair its ability to implement its business strategy.*

NN's success depends in large part on its ability to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, IT, risk management, underwriting, actuarial, Solvency II and other specialist skills and experience. Competition for senior managers as well as personnel with these skills is intense among insurance companies and other financial institutions, and NN may incur significant costs to attract and retain such personnel or may fail to do so. While NN does not believe that the departure of any particular individual would cause a material adverse effect on its operations, the unexpected loss of several members of NN's senior management or other key personnel could have a material adverse effect on its operations due to the loss of their skills, knowledge of NN's business and their years of industry experience, as well as the potential difficulty of promptly finding qualified replacement personnel.

Any failure by NN to attract or retain qualified personnel could have a material adverse effect on its business, revenues, results of operations, solvency and financial condition.

*NN is exposed to the risk of fraud and other misconduct or unauthorised activities by NN personnel, distributors, customers and other third parties. The occurrence of fraud and other misconduct and unauthorised activities could result in losses and harm NN's reputation, and may have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.*

NN is exposed to the risk of fraud and other misconduct or unauthorised activities by NN personnel, distributors, customers and other third parties. Fraud typically occurs when these persons deliberately abuse NN's procedures, systems, assets, products or services, and includes policy fraud (where fraudulent misstatements of fact are made in applications for insurance

products by customers), sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), fraud in relation to loans (where, for instance, customers file falsified documents in order to get a (mortgage or consumer) loan or payments from a construction depot), claims fraud (where fraudulent misstatements of fact are made in an effort to make claims under existing policies), fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary) and, in the case of NN Bank, forgery and other types of bank fraud. The occurrence of fraud and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to NN's reputation, any of which, alone or in the aggregate, could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*Interruption or other operational failures in telecommunication, IT and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data in those systems, including as a result of human error, could have a material adverse effect on NN's business, revenues, availability of data, results of operations, solvency, financial condition and prospects.*

NN is highly dependent on automated and IT systems to adequately secure confidential and business information, and to maintain the confidentiality, integrity and availability of information and data.

NN could experience a failure of these systems, its employees could fail to monitor and implement enhancements or other modifications to a system in a timely and effective manner, or its employees could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system or implementing modifications to an existing system. Furthermore, NN relies on third party suppliers to provide certain critical information technology and telecommunication services to NN and its customers. For instance, in the Netherlands a significant part of NN's IT infrastructure is provided by a third party supplier. The failure of any one of these systems, or the failure of a third party supplier to meet its obligations, for any reason (including cyberattacks), or errors made by NN's employees or the third party supplier, could in each case cause significant interruptions to NN's operations, harm NN's reputation, adversely affect its internal control over financial reporting and have a material adverse effect on NN's business, results of operations, solvency, financial condition and prospects.

NN retains confidential information in its IT systems, and relies on industry standard commercial technologies to maintain the security of those systems. External parties such as hackers, could seek access to NN's systems through phishing attempts, perform cyberattacks or seek to extort ransomware. Anyone who is able to circumvent NN's security measures and penetrate its IT systems could access, view, misappropriate, alter or delete information in the systems, including personally identifiable customer information and proprietary business information. Information security risks also exist with respect to the use of portable electronic devices, such as laptops and smartphones, which are particularly vulnerable to loss and theft. In addition, the laws of an increasing number of jurisdictions require that customers be notified if a security breach results in the disclosure of personally identifiable customer information.

Since 1 January 2016, NN is required to notify certain data leakages of personal data to the Dutch Data Protection Authority (AP) within 72 hours after becoming aware of the leakage.

The same rule applies now pursuant to the General Data Protection Regulation (Regulation (EU) 2016/679). Failure to do so may result in substantial regulatory fines, including fines up to EUR 10 million or 2 per cent of the annual worldwide turn-over of NN.

Any compromise of the security of NN's IT systems that results in unauthorised disclosure or use of personally identifiable customer information could harm NN's reputation, deter purchases of its products, subject NN to heightened regulatory scrutiny, substantial regulatory fines or significant civil and criminal liability, and require that NN incur significant technical, legal and other expenses, each of which could have a material adverse effect on NN's business, revenues, results of operations, solvency, financial condition and prospects.

*NN is dependent in part on the continued performance, accuracy, compliance and security of third party service providers who provide certain critical operational support functions to NN. Inadequate performance by these service providers could result in reputational harm and increased costs, which could have a material adverse effect on NN's business, revenues, results of operations and prospects.*

NN has outsourced certain critical operational support functions to third party service providers. NN is dependent in part on the continued performance, quality of customer service, accuracy, compliance and security of these service providers. If the contractual arrangements with any third party service providers are terminated, NN may not find an alternative provider of the services, on a timely basis, on equivalent terms or at all. Many of these service providers have access to confidential customer information, and any unauthorised disclosure or other mishandling of that confidential customer information could result in adverse publicity, reputational harm, deter purchases of NN products, subject NN to heightened regulatory scrutiny, substantial regulatory fines or significant civil and criminal liability, and require that NN incur significant legal and other expenses. Any of these events could have a material adverse effect on NN's business, revenues, results of operations, solvency, and prospects.

## **G. Financial Reporting Risks**

*Changes in accounting standards or policies, or NN's financial metrics, including as a result of choices made by NN, could adversely impact NN's reported results of operations and its reported solvency and financial condition.*

NN's consolidated annual accounts are subject to the application of IFRS, which is periodically revised or expanded. Accordingly, from time to time NN is required to adopt new or revised accounting standards issued by recognised authoritative bodies, including the International Accounting Standards Board (**IASB**). It is possible that future accounting standards which NN is required to adopt, could change the current accounting treatment that applies to its consolidated annual accounts and that such changes could have a material adverse effect on NN's results of operations, solvency and financial condition.

*NN's technical provisions reflected in its IFRS annual accounts to pay insurance and other claims, now and in the future, could prove inadequate, which could require that NN strengthen its provisions, which may have a material adverse effect on NN's results of operations, solvency and financial condition.*

The reserving assumptions are periodically updated for recent experience, information and insights. There can be no assurance that the provisions will remain adequate in the future and that no additional charges to the income statement will be necessary.

In addition to its technical provisions for insurance liabilities, NN's IFRS provisions include provisions for other claims. For example, the Issuer has established provisions in connection with potential claims in relation to two UK-incorporated insurance company subsidiaries of the Issuer OIC Run-Off Limited (formerly called The Orion Insurance Company plc) (**Orion**) and its subsidiary, London and Overseas Insurance Company Limited (formerly called The London and Overseas Insurance Company PLC) (**L&O**) which both ceased writing new business in 1992. Since 1994 Orion and L&O have been managed by two court appointed individuals not affiliated with NN, initially as joint provisional liquidators and from 1997, when a scheme of arrangement became effective (the **Original Scheme of Arrangement**), as joint scheme administrators (the **Joint Scheme Administrators**). The Original Scheme of Arrangement, which required an approval of a majority in number representing at least three quarters in value of the creditors of each class voting in person or by proxy, became effective in 1997. Pursuant to an agreement between NN, Nationale-Nederlanden Internationale Schadeverzekering N.V. (**NNIS**), Nationale-Nederlanden Overseas Finance and Investment Company (**NNOFIC**) and the Institute of London Underwriters (the **ILU**), NN and NNIS agreed to procure a letter of credit in favour of the ILU as to liabilities of Orion and/or L&O in respect of any or all contracts of insurance or reinsurance evidenced by policies signed and issued by the ILU (i) on behalf of Orion with inception dates on or after 28 August 1970 and/or (ii) on behalf of L&O with inception dates on or after 20 March 1969 (qualifying ILU policies) (the **1996 Agreement**). At the time of the provisional liquidation of Orion and L&O, the legal predecessor of the Issuer (INGV) and NNIS procured NNOFIC to enter into a claims payment loan agreement (**CPLA**) in 1995 under which the ILU could request certain funds under a facility granted by NNOFIC to Orion and L&O for the payment to qualifying ILU policyholders of claims meeting certain conditions under qualifying ILU policies for which both of Orion and L&O or either one of them were in default. The CPLA was superseded by a subsequent claims payment loan agreement (**CPLA 2**) entered into in 1996 (but claims under the letter of credit remain suspended for so long as the 1996 Agreement remained in operation). In September 2015, the Issuer, NNOFIC and the ILU entered into a, in terms substantially similar, new agreement replacing the earlier agreement through which INGV and NNIS guarantees were discharged.

An Amending Scheme of Arrangement, which was prepared by the Joint Scheme Administrators in consultation with NN and certain other stakeholders such as the ILU, and which became effective in 2016, established a cut-off point in respect of claims under policies issued by Orion and L&O (subject to a right of opt-out for qualifying ILU policyholders). CPLA 2 has been amended to take account of the Amending Scheme of Arrangement. All claims submitted in accordance with the Amending Scheme of Arrangement have now been agreed. A series of top up and – where appropriate – premium payments have been made to qualifying ILU policyholders (approximately US\$ 27 million per December 2023).

Opt out qualifying ILU policyholders and certain qualifying ILU policyholders and individuals claiming under such qualifying ILU policies have the right to report known or potential claims until 31 December 2035. Payment of their valid claims will continue thereafter as long as required until finally settled.

NNOFIC's balance sheet includes a provision reflecting the expected potential net expenditure in respect of the qualifying ILU policyholders under CPLA 2. This provision reflects that the Amending Scheme of Arrangement has become effective. NNOFIC made capital repayments to the Issuer in the first, third and fourth quarter of 2017 as well as in the fourth quarter of 2018, 2019 and 2020 (with an aggregate amount of EUR 130.3 million).

If NNOFIC's technical or other provisions prove inadequate, NN may be required to strengthen its provisions, which may have a material adverse effect on NN's results of operations, insolvency and financial condition.

*Defects and errors in NN's processes, systems and reporting may cause internal and external miscommunication (including incorrect public disclosure), wrong decisions and wrong reporting to customers. Should they occur, such events could harm NN's reputation and could have a material adverse effect on NN's business, revenues, results of operations, insolvency and financial condition.*

Defects and errors in NN's financial processes, systems and reporting, including both human and technical errors, could result in a late delivery of internal and external reports, or reports with insufficient or inaccurate information. Moreover, in recent years the frequency, quality, volume and complexity of the type of financial information that must be processed by NN's financial reporting systems has increased, in part due to increased legal and regulatory requirements. For instance, new reporting metrics (e.g. as required under the IFRS 17 regulation) are significantly more complex than the financial information NN's financial reporting systems processed in the past, and require a higher level of skill by NN's personnel.

Defects and errors in NN's financial processes, systems and reporting could lead to wrong decisions in respect of, for instance, product pricing and hedge decisions which could materially adversely affect its results of operations. In addition, misinforming customers and investors could lead to substantial claims and regulatory fines, increased regulatory scrutiny, reputational harm and increased administrative costs to remedy errors. In the event any such defects and errors occur, this could harm NN's reputation and could materially adversely affect NN's business, revenues, results of operations, insolvency and financial condition.

*The implementation of Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union may result in a higher tax burden for the Group which could have a negative effect on the Group's solvency and financial condition*

The Global Anti-Base Erosion Model Rules (**Pillar Two**), an initiative by the OECD/G20 Inclusive Framework, introduces a minimum level of taxation for multinationals with annual consolidated revenue of EUR 750 million or more in at least two out of the four fiscal years immediately preceding the tested fiscal year. The aim of Pillar Two is to ensure that large multinational enterprise groups are subject to a minimum effective tax rate of 15% in each jurisdiction where they operate.

The Council of the European Union (EU) formally adopted Council Directive (EU) 2022/2523 (**Pillar Two Directive**). The Pillar Two Directive was published in the Official Journal of the European Union on 22 December 2022. EU member states had to implement the Pillar Two Directive in their national laws by 31 December 2023. The Netherlands implemented the Pillar Two Directive in the Dutch Minimum Tax Act 2024 (*Wet minimumbelasting 2024*), which entered into force on 31 December 2023. The Dutch Minimum Tax Act 2024 applies the IIR and QDMTT (as further discussed below) for accounting periods starting on or after 31 December 2023 and the UTPR (as further discussed below) for accounting periods starting on or after 31 December 2024.

The primary mechanism of Pillar Two is an income inclusion rule (**IIR**) pursuant to which a top-up tax is payable by a parent entity of a group if and to the extent that one or more constituent members of the group have been taxed below an effective tax rate of 15%. In the situation that no IIR applies at the ultimate parent entity level, a lower level (intermediary) entity may be required to apply the IIR. A secondary fall back is provided by an undertaxed payment rule (**UTPR**) in case the IIR has not been applied. The UTPR can be applied by (i) limiting or denying a deduction or (ii) making an adjustment in the form of an additional tax. The Netherlands opted for option (ii) i.e. to make an adjustment in the form of an additional

tax. In addition, and in line with the Pillar Two Directive, the Dutch Minimum Tax Act 2024 also includes a qualified domestic minimum top-up tax (**QDMTT**). A jurisdiction that incorporates the QDMTT becomes the first in line to levy any top-up tax from entities located in its jurisdiction. It must compute profits and calculate any top-up tax due in the same way as the Pillar Two rules. Without a QDMTT, another jurisdiction as determined by the Pillar Two rules would be entitled to levy the top-up tax.

The implementation of the Pillar Two Directive could result in a higher tax burden for the Group which could have a negative effect on the Group's solvency and financial condition.

## **RISK FACTORS RELATING TO THE SECURITIES**

*Capitalised expressions used below have the meaning ascribed to them in "Terms and Conditions of the Securities".*

### **A. General Risks Relating To The Securities**

#### *Legality of purchase.*

None of the Issuer, the Joint Lead Managers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

*The trading market for the Securities may be volatile and may be adversely impacted by many events.*

The market value of the Securities will be affected by the creditworthiness of the Issuer and a number of additional factors. The market for the Securities may be influenced by economic and market conditions, political events in the Netherlands or elsewhere and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Netherlands, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Securities or that economic and market conditions will not have any other adverse effect. The price at which a Securityholder will be able to sell the Securities may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Securityholder.

#### *Exchange rate risks and exchange controls.*

The Issuer will pay principal and interest on the Securities in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the EUR would decrease (a) the Investor's Currency-equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities and (c) the Investor's Currency-equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Securityholders may not receive and may not be able to trade Securities in definitive form.*

It is possible that the Securities may be traded in amounts that are not integral multiples of EUR 200,000. In such a case, a Securityholder who, as a result of trading such amounts, holds an amount which is less than EUR 200,000 in its account with the relevant clearing system in case Securities in definitive form are issued may not receive a Security in definitive form in respect of such holding (should Securities in definitive form be issued) and may need to purchase a principal amount of Securities such that its holding amounts to at least EUR 200,000. If Securities in definitive form are issued, Securityholders should be aware that Securities in definitive form which have a denomination that is not an integral multiple of EUR 200,000 may be illiquid and difficult to trade.

*Interest rate risks.*

As a result of the Securities bearing interest at a fixed rate from (and including) the Issue Date, to (but excluding) the First Reset Date, investment in the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value and yield of the Securities.

Following the First Reset Date, interest on the Securities will be calculated on each Reset Date by the Calculation Agent as the sum of the applicable 5 Year Mid-Swap Rate in relation to that Reset Period, plus the Margin, converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards). The Interest Rate on each Reset Date will be determined on the Reset Interest Rate Determination Date and as such is not pre-defined at the date of issue of the Securities. The Interest Rate on Reset Dates in relation to a relevant Interest Period may be different from the initial Rate of Interest or from an Interest Rate applicable to a previous Interest Period and may adversely affect the value and yield of the Securities. See also “*The regulation and reform of ‘benchmarks’ may affect the value of the Securities*” below.

*Credit ratings assigned to the Issuer or the Securities may not reflect all risks associated with an investment in the Securities.*

The value of the Securities may be affected by the creditworthiness and the credit rating of the Issuer, the credit rating of the Securities and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchange on which the Securities are traded.

Credit ratings are expected to be assigned to the Securities by S&P and Fitch (see cover page of this Offering Memorandum for more information). Other independent credit rating agencies could decide to assign unsolicited credit ratings to the Securities and such credit ratings may be higher than, the same as or lower than the credit rating provided by S&P and Fitch. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value and yield of the Securities and do not imply the repayment (if at all) of the amount invested by an investor. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension or withdrawal of a rating may adversely affect the market price of the Securities.

If the status of the credit rating agency rating the Securities changes for the purposes of the CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes in the EEA and the Securities may have a different regulatory treatment, which may impact the value of the Securities and their liquidity in the secondary market. The price at which a Securityholder will be able to sell the Securities may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

*Credit ratings do not imply that interest will be paid.*

A credit rating is not a statement as to the likelihood or otherwise of cancellation of interest on the Securities or of the likelihood of a Trigger Event occurring. Securityholders may have a greater risk of cancellation of interest payments than persons holding other securities with similar credit ratings but no, or more limited, loss absorption provisions.

*An active trading market for the Securities may not develop.*

The Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Securities easily or at prices that provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have an adverse effect on the market value of the Securities. Although application has been made for the Securities to be listed on Euronext Dublin and admitted to the Official List and trading on its Global Exchange Market, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Securities. The Issuer is entitled, under certain circumstances, to buy the Securities, which may then be cancelled or caused to be cancelled, and to issue further Securities. Such transactions may favourably or adversely affect the price development of the Securities. If additional and competing products are introduced in the markets, this may adversely affect the value of the Securities.

*Potential Conflicts of Interest.*

The Joint Lead Managers and their respective affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (a) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (b) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (c) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of the Joint Lead Managers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

*Modification and waivers.*

The Conditions contain provisions for convening meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and holders of Securities who voted in a manner contrary to the majority. The Conditions also provide that, subject to obtaining the permission therefor from the Relevant Supervisory Authority, the Fiscal Agent and the Issuer may amend the Conditions, where such modification is of a formal, minor or technical nature or is made to correct a manifest error or



which, in the sole opinion of the Issuer, is not materially prejudicial to the interests of the Securityholders, without the consent of Securityholders.

*Exchange or Variation of the terms of the Securities upon the occurrence of a Gross-Up Event, a Tax Deductibility Event, a Regulatory Event or a Ratings Methodology Event.*

Subject to, among other things, prior approval of the Relevant Supervisory Authority, if a Gross-Up Event, a Tax Deductibility Event, a Regulatory Event or a Ratings Methodology Event has occurred and is continuing, then the Issuer may, at its option and without any consent or approval of the Securityholders, elect at any time to vary the terms of the Securities so that the relevant event no longer exists after such modification. Whilst the modified Securities must have terms not materially less favourable to Securityholders than the terms of the Securities, there can be no assurance that, due to the particular circumstances of each holder, such modified Securities will be as favourable to each holder in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the modified Securities are not materially less favourable to holders than the terms of the Securities.

*Change of law.*

The Conditions are based on Dutch law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of issue of the Securities and any such change could materially adversely impact the value of any Securities affected by it.

Many of the defined terms in the Conditions of the Securities depend on the interpretation and implementation of Solvency II. Further, the Relevant Supervisory Authority may interpret the Applicable Regulations, or exercise discretion accorded to the regulator under the Applicable Regulations in a different manner than expected. The manner in which many of the concepts and requirements under Solvency II will be applied to the Group over time remains uncertain.

Future regulatory proposals may also impose further restrictions on the Issuer's ability to make payments on the Securities. These issues and other possible issues of interpretation make it difficult to determine whether a Regulatory Event will occur or whether scheduled interest payments will be made on the Securities. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Securities.

*Taxation.*

Payments of interest on the Securities, or profits realised by the Securityholder upon the disposal or repayment of the Securities, may be subject to taxation or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Securities are transferred or in other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Securities. Potential investors are advised not to rely upon the tax description contained in this Offering Memorandum but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Securities. Only these advisers are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Offering Memorandum.

A Securityholder's effective yield on the Securities may be diminished by the tax impact on that Securityholder of its investment in the Securities.

### *Deductibility of payments on the Securities.*

Subject to the analysis below, the Issuer expects the Securities should be treated as debt for Dutch tax purposes. Consequently, coupon payments should be considered interest payments for Dutch corporate income tax purposes and as such be eligible for deduction in determining the Dutch corporate income tax base of the Issuer. Whether such payments will lead to effective deductions will depend on a number of factors as well as general limitations restricting interest deductibility, which may or may not apply irrespective of the Dutch tax treatment of the Securities as such.

If the relevant debt instrument effectively functions as equity for Dutch tax purposes coupon payments should not be considered interest payments for Dutch corporate income tax purposes and as such not be eligible for deduction.

Pursuant to prevailing case law, an instrument which does not qualify as share capital for Dutch civil law purposes, qualifies as a debt instrument for Dutch tax purposes if a repayment obligation (*terugbetalingsverplichting*) exists.<sup>2</sup> Debt instruments only effectively function as equity for Dutch tax purposes in the situation where all of the following three criteria (the **Hybrid Debt Criteria**) have been met:

- (i) the instrument has no fixed maturity or a maturity in excess of 50 years and early repayment cannot be claimed outside liquidation or bankruptcy;
- (ii) the debt is subordinated to all other non-preferred creditors of the borrower; and
- (iii) the remuneration on the debt depends on the profits of the borrower.

Whether or not the interest is paid under the Securities depends on, among others, the sole discretion of the Issuer as it may elect to cancel the interest payable under the Securities. Therefore, the interest payments under the Securities should not depend on the Issuer's profits.

On the basis of the above, there are arguments that the remuneration on the Securities does not qualify as being dependent on the profits of the Issuer and therefore the third requirement of the Hybrid Debt Criteria is not met. Therefore, the Securities would not meet all Hybrid Debt Criteria and consequently the Securities should not effectively function as equity for Dutch tax purposes.

In May 2020, the Dutch Supreme Court (*Hoge Raad*) confirmed that perpetual securities to the extent that they resemble the Securities in respect of the relevant material characteristics, qualify as debt under civil law. The Dutch Secretary for Finance seems to share this view. As a result of this judgment of the Dutch Supreme Court, the Dutch Secretary of Finance considers that, additional Tier 1-capital qualifies as a debt for tax purposes, which means that the compensation on additional Tier 1-capital is tax deductible when determining the taxable profit.

The statement made by the Dutch State Secretary of Finance relates to additional Tier 1-capital, yet restricted Tier 1 capital is not explicitly mentioned in the statement. Furthermore it should be noted that as the Dutch State Secretary of Finance has made the above statement in the Dutch

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<sup>2</sup> In a judgement of the Dutch Supreme Court of 17 May 2024 (ECLI:NL:HR:2024:706), a financial instrument convertible in shares of the issuer of the instrument was qualified as equity for Dutch tax purposes, irrespective of a repayment obligation in money that would only be present in certain extraordinary circumstances (*uitzonderlijke omstandigheden*), as the essential element (*wezenlijk element*) of the relationship between the holder of the instrument and the issuer thereof was the repayment in shares of the issuer. In our view, based on the Terms & Conditions as set out in the Offering Memorandum, this judgement should not be relevant for the Dutch tax qualification of the Securities as the essential element of the relationship between the holder of the Securities and the Issuer is not the repayment in shares of the Issuer.

Tax Plan 2021 in the capacity of co-legislator, the principle of legitimate expectations (*vertrouwensbeginsel*) cannot be invoked with regard to this statement. Therefore, it is possible that the deductibility of payments on the Securities will still be challenged in the future. The Issuer has concluded a ruling with the Dutch tax authorities in which the Dutch tax authorities confirm that, based on current Dutch legislation and case law, the Securities qualify as debt for Dutch tax purposes and no Dutch dividend withholding tax is due on interest payments on the Securities.

If, in accordance with (i) Condition 6.8 (*Redemption following a Tax Deductibility Event*) and (ii) Condition 6.9 (*Exchange or Variation for Taxation Reasons*), as a result of any change in, or amendment to the law or the application or interpretation thereof, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full deductibility for any payments of interest payable by the Issuer in respect of the Securities or that a Gross-Up event or a Tax Deductibility Event has occurred and is continuing respectively, the Issuer may have the option to redeem the Securities, in whole, but not in part, at their principal amount or exchange all (but not some only) of the Securities for, or vary the terms of the Securities so that they become or remain, Qualifying Tier 1 Securities. See Condition 6.8 (*Redemption following a Tax Deductibility Event*) and Condition 6.9 (*Exchange or Variation for Taxation Reasons*).

*Legal investment considerations may restrict certain investments.*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Securities are legal investments for it, (b) Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledging of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

*The market value of the Securities may be influenced by factors beyond the Issuer's control.*

Many factors, most of which are beyond the Issuer's control, will influence the market value of the Securities and the price, if any, at which securities dealers may be willing to purchase or sell the Securities in the secondary market. Such factors include, but are not limited to, any credit ratings assigned to the Issuer and the Securities (and any subsequent downgrading thereof), the creditworthiness of the Issuer and in particular the Issuer and the Group's compliance with the Solvency Capital Requirement and the Minimum Capital Requirement, supply and demand for the Securities, the Interest Rate applicable to the Securities from time to time, exchange rates and macro-economic, political, regulatory or judicial events which affect the Issuer or the markets in which it operates.

## **B. Risks Relating To The Structure Of The Securities**

*The Securities are deeply subordinated obligations of the Issuer.*

The Issuer's obligations under the Securities will constitute unsecured and subordinated obligations of the Issuer.

If any of the following events occur: (i) insolvency (*faillissement*) of the Issuer, (ii) moratorium (*surseance van betaling*) being applied to the Issuer, (iii) dissolution (*ontbinding*) of the Issuer or (iv) liquidation (*vereffening*) of the Issuer (such events (i) through (iv) each being an **Issuer Winding-Up**), the payment obligations of the Issuer under the Securities shall, in each case in accordance with and subject to mandatory applicable law, rank junior to the rights and claims

of creditors in respect of Senior Obligations of the Issuer (and payment to Securityholders may only be made and any set-off by Securityholders shall be excluded until all obligations of the Issuer in respect of such Senior Obligations have been satisfied) but *pari passu* with claims in respect of Parity Obligations and senior to claims in respect of any Junior Obligations.

Furthermore, by acceptance of the Securities, each Securityholder will be deemed to have waived any right of set-off or counterclaim that such Securityholder might otherwise have against the Issuer in respect of or arising under the Securities whether prior to or in an Issuer Winding-Up.

Although the Securities may pay a higher rate of interest than comparable securities which are not subordinated, there is a significant risk that an investor in the Securities will lose all or some of its investment should the Issuer become subject to an Issuer Winding-Up or recovery and resolution of the Issuer or the Group.

*Risks relating to the Dutch Intervention Act, the Dutch Act on Recovery and Resolution of Insurance Companies, the IRRD and any future legislation which may result in the expropriation, bail-in, write-off, write-down or conversion of the Securities.*

In June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) came into force in the Netherlands, with retroactive effect from 20 January 2012. The Dutch Intervention Act grants far-reaching new powers to DNB and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as NN, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. Under the Dutch Intervention Act, substantial new powers have been granted to DNB and the Dutch Minister of Finance enabling them to deal with ailing Dutch banks and insurance companies, as well as holding companies of insurance companies and financial conglomerates, prior to insolvency. The measures allow them to commence proceedings which may lead to (a) the transfer of all or part of the business (including, in the case of a bank, deposits) of an ailing bank or insurance company to a private sector purchaser, (b) the transfer of all or part of the business of an ailing bank or insurance company to a “bridge entity”, (c) the transfer of the shares in an ailing bank or insurance company to a private sector purchaser or a “bridge entity”, (d) immediate interventions by the Dutch Minister of Finance concerning an ailing bank or insurance company, and (e) public ownership (nationalisation) of (i) all or part of the business of an ailing bank or insurance company or (ii) all or part of the shares or other securities issued by an ailing bank or insurance company or its holding company. The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including the Issuer, of its payment and other obligations under debt securities, including the Securities, or result in the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations (such as the Securities) issued by the failing institution or its parent, including the Issuer.

The Dutch Intervention Act was amended on 26 November 2015 as a result of the entry into force of the Recovery and Resolution Directive. The Recovery and Resolution Directive also contains provisions that apply to mixed financial holding companies, and thus to the Issuer, including the right of bail-in of creditors. The majority of the implementing provisions relate to investment firms (and to a lesser extent credit institutions) whilst no material amendments

are made in respect of the intervention powers regarding insurance companies. Furthermore, the terms of debt securities, including the Securities, may be varied (e.g. the variation of maturity of a debt instrument). The Dutch Intervention Act and the Recovery and Resolution Directive aim to ensure that financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool.

With the entry into force of the R&R Act (described below), many of the rules that were introduced by Dutch Intervention Act have been repealed and the emergency regulation (*noodregeling*) and safety-net-scheme (*opvangregeling*) are abolished.

On 1 January 2019, the R&R Act came into force in the Netherlands, replacing the previously applicable intervention regime for insurance companies in the Netherlands faced with financial difficulties. Amongst other things, the R&R Act (i) expands and improves DNB's tools, including bail-in tools to write down debt or convert debt into equity (generally in inverse order of their ranking so that the tool would apply first to equity instruments, then Tier 1 own funds, such as the Securities, then Tier 2 own funds, then Tier 3 own funds, and then to other instruments with a higher ranking in liquidation), for recovering and resolving insurers in an orderly manner to protect the interests of the policyholders and (ii) opens the possibility to pay advances (*voorschotten*) to policyholders of an insolvent insurer prior to the bankruptcy verification meeting (*verificatievergadering*). The powers under the R&R Act may also extend to entities other than insurance or reinsurance entities in the Netherlands that are part of the group. In addition, the R&R Act will allow DNB to require a Dutch insurance or reinsurance company or a group to remove, ex ante, impediments to effective resolution of a Dutch insurance or reinsurance undertaking (such as the revision of financing arrangements, the reduction of exposures, the transfer of assets, the termination or limitation of business activities, or the prohibition to start certain business activities, change the legal or operational structure of the group, or securing certain critical business lines). The risks related to the R&R Act may be comparable to the risks described above in relation to the Dutch Intervention Act. The application of any measures described above may have a material adverse effect on the Group including its business, financial position and results of operations.

On 22 September 2021, the European Commission published a proposal for a Directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings (the **IRR**D). On 27 July 2022, several amendments to the proposal were published. The Council and the European Parliament reached provisional agreement on the IRRD on 14 December 2023, which the Committee on Economic and Monetary Affairs approved on 29 January 2024. On 5 November 2024, the Council adopted the IRRD. The directive has been published in the EU's Official Journal on 8 January 2025 and entered into force on 28 January 2025. The new rules will be applicable two years after their entry into force. The IRRD needs to be transposed into Dutch law by 29 January 2027, which will lead to amendments of the R&R Act and the resolution tools provided thereunder. The IRRD is similar to a directive applicable to the recovery and resolution of banks in Europe and provides for a variety of planning and preventative measures to minimise the likelihood of insurance undertakings requiring public financial support, and for the initiation of resolution procedures for insurance undertakings that are failing or likely to fail, where there is no prospect that private sector alternatives or supervisory measures can avert failure. The IRRD provides, in case of resolution, for the application of a number of resolution tools, including in particular the write-down and conversion tool, which would allow resolution authorities to write down or convert to equity capital instruments and certain other liabilities of insurance undertakings, generally in inverse order of their ranking in liquidation, similar to the R&R Act as described above. The proposed planning and preventative measure are to a large extent similar to those under the R&R Act.

The exercise of the powers of DNB or the Minister of Finance under the Dutch Intervention Act, the R&R Act and the IRRD, when implemented, may have a material adverse effect on the performance of a failing institution, which may include the Issuer or a member of the Group, of its payment and other obligations under debt securities, such as the Securities, or result in the expropriation, bail-in, write-off, write-down or conversion of securities, such as shares and debt obligations, including the Securities, issued by the failing institution or its parent, which may include the Issuer or a member of the Group.

*An investor in the Securities assumes an enhanced risk of loss in the Issuer's insolvency.*

From the date on which the act implementing Article 38 of the IRRD becomes effective in the Netherlands (the **Amending Act**), instruments which are expressed to rank *pari passu* with the Securities but which do not qualify as own funds, may in the Issuer's bankruptcy rank senior to the Securities. See also Condition 3 (*Status and Subordination of the Securities and Set-Off*), which provides that the ranking of the Securities is in accordance with and subject to mandatory applicable law, which would include the Amending Act and Condition 14 (*Acknowledgement of Bail-In and Write-Down or Conversion Powers*) pursuant to which each Securityholder, Couponholder and beneficial holder of Coupons acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of the Bail-in Power (as defined in the Conditions).

Accordingly, a Securityholder may recover less than the holders of unsubordinated or certain other subordinated liabilities of the Issuer in an Issuer Winding-Up or recovery and resolution of the Issuer or the Group as after payment of the claims of senior creditors and other subordinated creditors there may not be a sufficient amount to satisfy (all of) the amounts owing to the Securities. Please also refer to the risk factor "*Risks relating to the Dutch Intervention Act, the Dutch Act on Recovery and Resolution of Insurance Companies, the IRRD and any future legislation which may result in the expropriation, bail-in, write-off, write-down or conversion of the Securities*" above.

*The Securities have no scheduled maturity and Securityholders only have a limited ability to exit their investment in Securities.*

The Securities are perpetual securities and have no fixed maturity date or fixed redemption date and are not redeemable at the option or election of the Securityholders. Although the Issuer may, under certain circumstances described in Condition 6 (*Redemption, Exchange, Variation and Purchase*), redeem or purchase the Securities, the Issuer is under no obligation to do so and Securityholders have no right to call for the Issuer to exercise any right it may have to redeem the Securities.

Therefore, Securityholders have no ability to exit their investment, except (i) in the event of the Issuer exercising its right to redeem or repurchase the Securities in accordance with the Conditions, (ii) by selling their Securities, or (iii) upon an Issuer Winding-Up, in which limited circumstances the Securityholders may receive some of any resulting liquidation proceeds following payment being made in full to all senior and more senior subordinated creditors. The proceeds, if any, realised in an Issuer Winding-Up may be substantially less than the Prevailing Principal Amount of the Securities or the price paid by an investor for the Securities. See also "*An active trading market for the Securities may not develop*" above.

*There are no events of default under the Securities.*

The Conditions of the Securities do not provide for events of default allowing acceleration of the Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Securities, including the payment of any interest, investors will not have the right of

acceleration of principal. Upon a payment default, the sole remedy available to Securityholders for recovery of amounts owing in respect of any payment of principal or interest on the Securities will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

*Payments by the Issuer are conditional upon the Issuer being solvent.*

All payments in respect of or arising from (including any damages for breach of any obligations under) the Securities shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable by the Issuer in respect of or arising from (including any damages for breach of any obligations under) the Securities except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For these purposes, the Issuer will be solvent if (i) it is able to pay its debts owed under its Senior Obligations if they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due but for the inability to comply with the Solvency Condition shall be cancelled pursuant Condition 4.4(b) (*Mandatory Interest Cancellation*).

*The Issuer may at its sole and absolute discretion cancel Interest Payments, in whole or in part, at any time. Cancelled Interest Payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto.*

Interest on the Securities is due and payable on each Interest Payment Date subject to Condition 4.4(b) (*Mandatory Interest Cancellation*). In addition, the Issuer may at its sole and absolute discretion at any time elect to cancel any Interest Payment, in whole or in part, which would otherwise be payable on any Interest Payment Date. At the time of publication of this Offering Memorandum, it is the intention of the Executive Board to consider the relative ranking of any restricted Tier 1 securities in issue (including the Securities) in the capital structure whenever exercising its discretion as to whether or not to declare dividends or pay interest, in line with NN Group's dividend policy applicable at that time. Under the current dividend policy, when proposing a dividend the Executive Board will take into account, among other things, its capital position, leverage and liquidity position, legal and regulatory requirements and strategic considerations as well as the expected developments thereof. On the basis of Solvency II regulatory capital requirements, dividends can only be paid out if NN Group is compliant with the group Solvency Capital Requirement within the meaning of the Solvency II legislation. The dividend policy applied by NN Group from time to time is published on its website: [www.nn-group.com](http://www.nn-group.com).

Any Interest Payment (or relevant part thereof) which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Securityholders will have no rights in respect of the Interest Payment (or relevant part thereof) which is cancelled. In addition, cancellation or non-payment of Interest in accordance with the Conditions shall not constitute a default or event of default under the Securities for any purpose and does not give Securityholders any right to take any enforcement action under the Securities.

Any actual or perceived increased likelihood of cancellation of any Interest Payment may affect the market value of an investment in the Securities.

*In addition to the Issuer's right to cancel Interest Payments, in whole or in part, at any time, the Conditions require that Interest Payments must be cancelled under certain circumstances. Cancelled Interest Payments shall not be due and shall not accumulate or be payable at any*

*time thereafter and investors shall have no rights thereto.*

The Issuer must cancel any Interest Payment on the Securities pursuant to Condition 4.4(b) (*Mandatory Interest Cancellation*) in the event that, *inter alia*, the Issuer cannot make the payment in compliance with the Solvency Condition, the Solvency Capital Requirement or the Minimum Capital Requirement, or where the Interest Payment would, together with any Additional Amounts payable with respect thereto, exceed the amount of the Issuer's Distributable Items as at the time for payment.

Any Interest Payment which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Securityholders will have no rights in respect of the Interest Payment which is cancelled. In addition, cancellation or non-payment of Interest in accordance with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

Any actual or perceived increased likelihood of cancellation of any Interest Payment may affect the market value of an investment in the Securities.

*Restricted remedy for non-payment when due.*

Any failure by the Issuer to pay interest when it is scheduled to be paid (or at all) or principal when due in respect of the Securities shall not constitute an event of default and does not give Securityholders any right to demand repayment of the principal amount of the Securities. If the Issuer is liquidated (as a result of the winding-up of the Issuer (*ontbinding en vereffening*) or bankruptcy (*faillissement*) of the Issuer), any Securityholder may declare each Security held by that Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Prevailing Principal Amount and any accrued but unpaid interest from the previous Interest Payment Date up to (but excluding) the date of repayment and which has not been cancelled. No other remedy against the Issuer shall be available to the Securityholders, whether for recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Securities.

*Securities may be traded with accrued interest which may subsequently be subject to cancellation.*

The Securities may trade, and/or the prices for the Securities may appear, in trading systems with accrued interest. Purchasers of Securities in the secondary market may pay a price which reflects such accrued interest on purchase of the Securities. If an Interest Payment is cancelled (in whole or in part), a purchaser of Securities in the secondary market will not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Securities.

*As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, and insufficient Distributable Items will restrict the Issuer's ability to make interest payments on the Securities.*

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Issuer's Distributable Items. Consequently, the future Issuer's Distributable Items, and therefore the Issuer's ability to make Interest Payments on the Securities, are a function of the existing Issuer's Distributable Items, future Group profitability and performance and the ability to distribute or dividend profits from the Issuer's operating subsidiaries within the Group structure to the Issuer. In addition, the Issuer's Distributable



Items will also be reduced by holding company expenses and servicing of other debt and equity instruments.

The ability of the Issuer's operating subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from the Issuer's investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws, and any changes thereto. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by the Issuer's operating subsidiaries, which could in time restrict the Issuer's ability to fund other operations or to maintain or increase its Issuer's Distributable Items. The Issuer's Distributable Items as at 31 December 2023 for the Issuer amount to EUR 8,701 million<sup>3</sup> (reference is made to the table headed "*Freely distributable reserves*" on page 342 of the 2023 Annual Report).

*No restriction on corporate actions.*

The Conditions of the Securities do not contain any restriction on the ability of the Issuer to pay dividends on or repurchase its ordinary shares. The Conditions of the Securities also do not restrict the Issuer from limiting the amounts available for distribution pursuant to its articles of association. This could decrease the profits that are available for distribution and therefore increase the likelihood of a cancellation of payments of interest.

*The regulation and reform of 'benchmarks' may affect the value of the Securities.*

Various interest rate benchmarks (including the Euro Interbank Offered Rate (**EURIBOR**) and other interest rates or other types of rates and indices which are deemed to be 'benchmarks') are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**) whilst others are still to be implemented. Under the EU Benchmarks Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. Such factors may have the following

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<sup>3</sup> Distributable Items at 31 December 2024 amount to EUR 8.2 billion (unaudited).

currently known effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

The EU Benchmarks Regulation could have a material impact on the Securities, as from the First Call Date, the Interest Rate is based on the 5 Year Mid-Swap Rate which includes a floating leg based on the six-month EURIBOR rate and which is deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the EU Benchmarks Regulation. Pursuant to the fall-back provisions applicable to the Securities, an Independent Adviser appointed by the Issuer in accordance with Condition 4.2 shall determine a Successor Rate, failing which an Alternative Rate which will determine the way in which the interest rate is set. If the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor or an Alternative Rate, then the Issuer (in consultation with the Fiscal Agent or the Independent Adviser where appointed but unable to determine whether a Successor Rate or an Alternative Rate is available and acting in good faith and a commercially reasonable manner) may determine which rate (if any) has replaced the Original Reference Rate in customary market usage for purposes of determining a 5-year mid-swap rate denominated in Euro, or, if it determines that there is no such rate, which rate (if any) is most comparable to the Original Reference Rate, and the Successor Rate or an Alternative Rate shall be the rate so determined by the Issuer. This may lead to a conflict between the interests of the Issuer and the Securityholders. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility or the level of the published rate or level of the “benchmark”.

Furthermore, if a Successor Rate, Alternative Rate is determined by the Independent Adviser or the Issuer in consultation with the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Securityholders.

Investors should be aware that, if the 5 Year Mid-Swap Rate (or any component customarily used in the determination thereof) were temporarily unavailable or if upon the occurrence of a Benchmark Event no Successor Rate or Alternative is determined, this may, in certain circumstances, result in the effective application of a fixed rate based on the rate which was last observed on the relevant Screen Page.

Furthermore, no substitute or successor rate will be adopted, nor will any other amendment to the terms of the Securities be made, if and to the extent that the same would cause the Securities to cease qualifying as Tier 1 Own Funds of the Issuer or as other equivalent regulatory capital of the Issuer under the Applicable Regulations.

Under the EU Benchmarks Regulation, each of the Issuer and the Independent Adviser may be considered an ‘administrator’. This is the case if it is considered to be in control over the provision of the Successor Rate or the Alternative Rate and any adjustments made thereto

and/or otherwise in determining the Interest Rate in the context of a fall-back scenario. This would mean that the Issuer and/or the Independent Adviser has control over the (i) administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Independent Adviser and/or the Issuer to be considered an ‘administrator’ under the EU Benchmarks Regulation, the Successor Rate or the Alternative Rate and any adjustments made thereto and/or otherwise in determining the Interest Rate in the context of a fall-back scenario may be a benchmark (index) within the meaning of the EU Benchmarks Regulation. This may be the case if the Successor Rate or the Alternative Rate and any adjustments made thereto and/or otherwise in determining the Interest Rate in the context of a fall-back scenario, are published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The EU Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the EU Benchmarks Regulation. There is a risk that administrators (which may include the Issuer and the Independent Adviser in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorization, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which was last observed on the relevant Screen Page, may apply to the Securities until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for EURIBOR is available.

Moreover, any significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Securities and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Securities.

Potential investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and benchmark reforms, investigations and licensing issues in making any investment decision with respect to the Securities.

*The principal amount of the Securities may be reduced to absorb losses and Securityholders may lose all or some of their investment as a result of a Write-Down.*

If a Trigger Event has occurred then the Issuer shall write down each Security by reducing the Prevailing Principal Amount of such Security (in whole or in part, as applicable) by the Write-Down Amount on the Write-Down Date in accordance with the Write-Down procedure as further described in the Condition 7 (*Principal Loss Absorption*). Investors should note that, in the case of any such reduction to the Prevailing Principal Amount of each Security pursuant to the Condition 7 (*Principal Loss Absorption*), the Issuer’s determination of the relevant amount of such reduction shall be binding on the Securityholders.

The Issuer’s current and future outstanding subordinated securities might not include Write-Down or similar features with triggers comparable to those of the Securities. As a result, it is possible that the Securities will be subject to a Write-Down, while other subordinated securities remain outstanding and continue to receive payments. The Issuer may determine that a Trigger Event has occurred on more than one occasion and each Security may be Written Down on more than one occasion, it being specified that the Prevailing Principal Amount of a Security can be reduced to EUR 0.01. Discretionary Reinstatement may apply at the full discretion of

the Issuer, provided that certain conditions are met. However, Condition 7.3 (*Discretionary Reinstatement*) in relation to Discretionary Reinstatement shall not apply to the extent that the existence of such provision would cause the occurrence of a Trigger Event. The Issuer's ability to write-up the Principal Prevailing Amount of the Securities will depend on several conditions. No assurance can be given that these conditions will be met. In addition, the Issuer will not in any circumstances be obliged to write-up the Principal Prevailing Amount of the Securities. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

Further, if the Prevailing Principal Amount of the Securities has been Written Down, interest shall accrue on such Written Down Prevailing Principal Amount in accordance with the Conditions as from the relevant Write-Down Date and the Securities will be redeemable for tax reasons, or upon a Ratings Methodology Event or a Regulatory Event or as a result of the Issuer exercising the clean-up call described in Condition 6.14 (*Clean-up Redemption*) (the **Clean-up Call**), unless the Issuer has waived its right to redeem, exchange or vary the Securities during the Inapplicability Period as described in Condition 6.15 (*Inapplicability Period*), at the Prevailing Principal Amount, which will be lower than the Initial Principal Amount.

*Subject to certain conditions, the Issuer may redeem the Securities at the Issuer's option on certain dates.*

Subject, *inter alia*, to the Issuer being solvent (in accordance with Condition 6.2(i) (*Conditions to Redemption and Purchase*)), to compliance with the Solvency Capital Requirement and Minimum Capital Requirement and to satisfaction of the Regulatory Clearance Condition, the Issuer may redeem all (but not some only) of the Securities at their Prevailing Principal Amount outstanding together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption. Such redemption may occur (i) at any time from the First Call Date to and including the First Reset Date and on any Interest Payment Date thereafter, (ii) in the event of certain changes in the tax treatment of the Securities or payments thereunder due to a Tax Deductibility Event or a Gross-Up Event, (iii) following the occurrence of a Regulatory Event or (iv) following the occurrence (or there will occur within six months) a Ratings Methodology Event or (v) as a result of the Issuer exercising the Clean-up Call, in each case other than in respect of (i) above, unless the Issuer has waived its right to redeem, exchange or vary the Securities during the Inapplicability Period as described in Condition 6.15 (*Inapplicability Period*).

The Securities may therefore be subject to early redemption if there is any change to the deductibility of interest payments made on the Securities or withholding taxes were to apply as a result of a change in Dutch tax law or regulations or in their application or interpretation by the Dutch tax authorities.

The Applicable Regulations as at the date of this Offering Memorandum provide that the Relevant Supervisory Authority should not permit the redemption of Tier 1 Own Funds in the first five years of their issue other than in relation to unforeseen events such as an unforeseen change in the Applicable Regulations, a Gross-Up Event or a Tax Deductibility Event. There may be material changes or additions to the Applicable Regulations or tax treatment in the future and it is not possible to foresee what those changes might be and whether they would change the requirements applicable to the Securities. The Issuer may therefore have a redemption right following the Issue Date, including as a result of any amendments to the Applicable Regulations or tax treatment, amongst others as described above in "*NN is required to comply with Solvency II, the Solvency II framework has been reviewed in the past, is currently under review, and is subject to future review(s), and it is not possible to fully*

*anticipate the (potential) changes from Solvency II review(s), if any, will be, and consequently, what the impact would be on NN or on the rights of the Securityholders”.*

The Issuer may decide to redeem the Securities when its cost of borrowing is lower than the interest rate on the Securities. During any period when the Issuer may elect or may be perceived to be more likely to elect to redeem the Securities, the market value of the Securities generally will not rise above the price at which they can be redeemed. This may also be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*The SCR Ratio and Minimum Capital Requirement ratio will be affected by the Issuer’s business decisions and, in making such decisions, the Issuer’s interests may not be aligned with those of the Securityholders.*

The SCR Ratio and Minimum Capital Requirement ratio could be affected by a number of factors. They will also depend on the Group’s decisions relating to its businesses and operations, as well as the management of its capital position. The Issuer will have no obligation to consider the interests of the Securityholders in connection with the strategic decisions of the Group, including in respect of capital management. Securityholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Group, including its capital position, regardless of whether they result in the occurrence of a Trigger Event or non-payment of interest under the Securities. Such decisions could cause Securityholders to lose all or part of the value of their investment in the Securities.

*The occurrence of the Trigger Event may depend on factors outside of the Issuer’s control.*

A Trigger Event shall occur if the Issuer determines that any of the following has occurred: (a) the amount of Own Funds Items eligible to cover the solvency capital requirement of the Issuer determined under the Applicable Regulations is equal to or less than 75 per cent. of the Solvency Capital Requirement; or (b) the amount of Own Funds Items eligible to cover the Minimum Capital Requirement of the Issuer determined under the Applicable Regulations is equal to or less than the Minimum Capital Requirement; or (c) the amount of Own Funds Items eligible to cover the Solvency Capital Requirement of the Issuer has been equal to or less than the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed with regard to any initial Write-Down and as provided in Condition 7.2 (*Write-Down procedure*) with regard to any further Write-Down).

The occurrence of a Trigger Event and, therefore, Write-Down is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer’s control, including actions that the Issuer is required to take at the direction of the Relevant Supervisory Authority and regulatory changes. Accordingly, the trading behaviour of the Securities may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer’s other subordinated debt securities. Any indication that the Issuer or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an adverse effect on the market price and liquidity of the Securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with

proceeds sufficient to provide a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities.

*Redemption or purchase of the Securities must, under certain circumstances, be deferred.*

Notwithstanding that a notice of redemption has been delivered to Securityholders, the Issuer must defer redemption of the Securities on any date set for redemption of the Securities pursuant to Condition 6 (*Redemption, Exchange, Variation and Purchase*) in the event that, *inter alia*, the Issuer cannot make the redemption payments in compliance with the Solvency Condition, the Solvency Capital Requirement, the Minimum Capital Requirement or the Regulatory Clearance Condition, an Insolvent Insurer Liquidation or any other requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Supervisory Authority have not been complied with following the proposed redemption or purchase (and will not continue to be complied with following the proposed redemption or purchase) has occurred and is continuing.

The deferral of redemption of the Securities does not constitute a default under the Securities for any purpose and does not give Securityholders any right to take any enforcement action under the Securities. Where redemption of the Securities is deferred, the Securities will be redeemed by the Issuer on the earlier of (a) the date falling 10 Business Days after the date on which the Redemption and Purchase Conditions are met or otherwise waived pursuant to Condition 6.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority*), (b) the date falling 10 Business Days after the date on which the Relevant Supervisory Authority has agreed to the repayment, redemption purchase, as applicable, of the Securities or (c) the date on which an Issuer Winding-Up occurs. Where redemption of the Securities is deferred and a Trigger Event occurs prior to the deferred redemption, the amount paid to Securityholder for the Securities on the occurrence of the deferred redemption will be Written Down.

Any actual or anticipated deferral of redemption of the Securities will likely have an adverse effect on the market price of the Securities. In addition, as a result of the redemption deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred, and the Securities may accordingly be more sensitive generally to adverse changes in the Issuer's solvency and financial condition.

*Limitation on gross-up obligations under the Securities.*

The Issuer's obligation, if any, to pay Additional Amounts in respect of any withholding or deduction in respect of taxes under the terms of the Securities applies only to payments of interest due and paid under the Securities and not to payments of principal.

As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Securities to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Securities, Securityholders may receive less than the full amount due under the Securities, and the market value of the Securities may be adversely affected.

*No limitation on issuing or guaranteeing debt ranking senior or "pari passu" with the*

### *Securities.*

There is no restriction in the Securities on the amount of debt which the Issuer or members of the Group may issue or guarantee. In addition, the Securities do not contain a negative pledge preventing the Issuer from issuing debt which is secured on assets or revenues of the Group. The Issuer and its subsidiaries may therefore incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including secured indebtedness and/or indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Securities. If the Issuer were liquidated (whether voluntarily or not), secured claims and claims of creditors ranking senior to Securityholders would be paid out in priority to Securityholders claims and Securityholders could thus suffer loss of their entire investment.

*Changes to Solvency II may increase the risk of the occurrence of a cancellation of Interest Payments, the deferral or redemption or purchase of the Securities by the Issuer or the occurrence of a Regulatory Event.*

Solvency II requirements adopted in the Netherlands, whether as a result of further changes to Solvency II, such as those described above under “*NN is required to comply with Solvency II, the Solvency II framework has been reviewed in the past, is currently under review, and is subject to future review(s), and it is not possible to fully anticipate the (potential) changes from Solvency II review(s), if any, will be, and consequently, what the impact would be on NN or on the rights of the Securityholders*”, or changes to the way in which the Relevant Supervisory Authority interprets and applies these requirements to the Dutch insurance industry, may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Solvency Capital Requirement of the Group, and such changes may make the Group’s regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in the Netherlands subsequent to the date of this Offering Memorandum and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the required characteristics of Tier 1 Own Funds or the calculation of the Solvency Capital Requirement or the Minimum Capital Requirement of the Group and thus increase the risk of cancellation of Interest Payments and/or deferral of the repayment of the Prevailing Principal Amount of the Securities or, conversely, increase the risk of the occurrence of a Regulatory Event and subsequent redemption of the Securities by the Issuer or the occurrence of a Trigger Event and subsequent Write-Down of the Securities by the Issuer, as a result of which a Securityholder could lose all or part of the value of its investment in the Securities.

## GENERAL DESCRIPTION OF THE SECURITIES

*This overview is a general description of the Securities and is qualified in its entirety by the remainder of this Offering Memorandum. For a more complete description of the Securities, including definitions of capitalised terms used but not defined in this section, please see “Terms and Conditions of the Securities”.*

<b>Issuer:</b>	NN Group N.V.
<b>Description:</b>	EUR 1,000,0000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities (the <b>Securities</b> and each a <b>Security</b> ).
<b>Joint Global Coordinators and Structuring Agents to the Issuer:</b>	BNP PARIBAS and J.P. Morgan SE
<b>Joint Lead Managers:</b>	BNP PARIBAS, Citigroup Global Markets Europe AG, Deutsche Bank Aktiengesellschaft, ING Bank N.V., J.P. Morgan SE, Natixis and UniCredit Bank GmbH
<b>Fiscal Agent, Paying Agent and Calculation Agent:</b>	The Bank of New York Mellon, London Branch
<b>Aggregate Principal Amount:</b>	EUR 1,000,0000,000
<b>Denomination:</b>	<p>The Securities will be issued in denominations of EUR 200,000 each and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000.</p> <p><b>Initial Principal Amount</b> means the principal amount of each Security at the Issue Date being EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000, without having regard to any subsequent Write-Down or Discretionary Reinstatement.</p> <p><b>Prevailing Principal Amount</b> means the Initial Principal Amount as reduced from time to time by any Write-Down and as increased from time to time by any Discretionary Reinstatement.</p>
<b>Issue Date:</b>	11 March 2025
<b>Issue Price:</b>	100 per cent.
<b>Perpetual Securities:</b>	The Securities will be perpetual instruments in respect of which there will be no fixed maturity or redemption date. The Issuer shall be entitled to redeem or purchase the Securities only in accordance with the provisions below, and the Securityholders shall have no right to require the Issuer to redeem, exchange, vary or purchase the Securities in any circumstances.
<b>Form of Securities:</b>	The Securities will be issued in bearer form and shall have denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof, up



to and including EUR 399,000. The Securities will initially be represented by a temporary global security, without interest coupons, which will be deposited on or about the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

**Status of the Securities:**

The Securities will constitute unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves.

The rights and claims of the Securityholders against the Issuer are subordinated as described in Condition 3.2 (*Subordination*).

By acceptance of the Securities, each Securityholder will be deemed to have waived any right of set-off or counterclaim that such Securityholder might otherwise have against the Issuer in respect of or arising under the Securities whether prior to or in an Issuer Winding-Up.

**Negative Pledge:**

None

**No Events of Default:**

There are no events of default in respect of the Securities. However, any Securityholder may give written notice to the Fiscal Agent at its specified office that its Security is immediately due and payable at its Prevailing Principal Amount, together with accrued but not cancelled interest thereon, if any, to the date of payment, in the event of a liquidation of the Issuer. Liquidation may occur as a result of the winding-up of the Issuer (*ontbinding en vereffening*) or bankruptcy (*faillissement*) of the Issuer.

**Interest Rate:**

The Securities will bear interest at a rate per annum, equal to (subject as described in the Conditions) (i) from (and including) the Issue Date up to (but excluding) the First Reset Date 5.750 per cent. and (ii) thereafter a fixed rate of interest which will be reset on the First Reset Date and on each Reset Date thereafter as the sum of the then applicable 5 Year Mid-Swap Rate in relation to that Reset Period, plus the Margin (being 3.450 per cent. per annum), converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards), payable semi-annually in equal instalments in arrear on each Interest Payment Date.

**Margin:**

3.450 per cent. per annum.

**Reset Dates:**

The First Reset Date, the fifth (5<sup>th</sup>) anniversary thereof and each subsequent fifth (5<sup>th</sup>) anniversary thereof.

**Interest Payment Dates:**

Means 11 March and 11 September in each year, commencing on 11 September 2025.

**Cancellation of Interest Payments:**

If the Issuer does not make an Interest Payment (or part thereof) on the relevant Interest Payment Date, such non-payment shall evidence:

- (i) the cancellation of such Interest Payment in accordance with the provisions described under “*Mandatory Cancellation of Interest Payments*” below; or

- (ii) the Issuer's exercise of its discretion otherwise to cancel such Interest Payment (or relevant part thereof) as described under "*Optional Cancellation of Interest Payments*" below.

**Mandatory  
Cancellation of  
Interest Payments:**

Subject to certain limited exceptions as more fully described in the Conditions, the Issuer shall be required to cancel any Interest Payment if:

- (i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment; or
- (ii) the Issuer has determined that there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment; or
- (iii) the Issuer has determined that there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment; or
- (iv) the amount of such Interest Payment, interest payments or distributions which have been made or which are scheduled simultaneously to be paid or made on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment.

The Issuer shall not be required to cancel an Interest Payment where a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest on the Securities were to be made, where:

- (A) the Relevant Supervisory Authority has exceptionally waived the cancellation of Interest Payments; and
- (B) such Interest Payments do not further weaken the solvency position of the Issuer and/or the Group; and
- (C) the Minimum Capital Requirement is complied with immediately after such Interest Payment is made; and
- (D) the Mandatory Interest Cancellation Event is of the type described in paragraph Condition 4.4(b)(ii) (*Mandatory Interest Cancellation*) only.

**Issuer's Distributable Items:** Has the meaning assigned to such term in the Applicable Regulations then applicable to the Issuer. As at the Issue Date, **Issuer's Distributable Items** means, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

- (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus
- (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less
- (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date,

each as defined under national law, or in the articles of association of the Issuer.

**Optional Cancellation of Interest Payments:** Interest on the Securities is due and payable on each Interest Payment Date, subject to the restrictions set out in the Conditions. In addition, the Issuer may at its sole and absolute discretion at any time elect to cancel any interest payment (or part thereof) which would otherwise be payable on any Interest Payment Date.

**Write-Down upon Trigger Event:** If a Trigger Event occurs:

- (i) any interest which is accrued and unpaid up to (and including) the Write-Down Date (whether or not such interest has become due for payment) shall be automatically cancelled (it being specified that such cancellation shall not constitute a default or event of default of the Issuer for any purpose); and
- (ii) the Issuer shall promptly (and without the need for the consent of the Securityholders) write down the Securities by reducing the Prevailing Principal Amount by the Write-Down Amount (such action a **Write-Down** and **Written Down** being construed accordingly).

Any such Write-Down shall be applied in respect of each Security equally.

A Write-Down of the Securities shall not constitute a default or event of default in respect of the Securities or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Securityholders to petition for the insolvency or dissolution of the Issuer or to take any other action.

Following a Write-Down, Securityholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, any principal amount by which the Securities have been Written-Down, save with respect to any amount

subsequently reinstated pursuant to Condition 7.3 (*Discretionary Reinstatement*).

See Condition 7 (*Principal Loss Absorption*) for further information.

**Trigger Event:**

A **Trigger Event** shall be deemed to have occurred if, at any time, the Issuer determines that any of the following has occurred:

- (a) the amount of Own Funds Items eligible to cover the Solvency Capital Requirement of the Issuer determined under the Applicable Regulations is equal to or less than 75 per cent. of the Solvency Capital Requirement; or
- (b) the amount of Own Funds Items eligible to cover the Minimum Capital Requirement of the Issuer determined under the Applicable Regulations is equal to or less than the Minimum Capital Requirement; or
- (c) the amount of Own Funds Items eligible to cover the Solvency Capital Requirement of the Issuer has been equal to or less than the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed with regard to any initial Write-Down and as provided in Condition 7.2 with regard to any further Write-Down).

**Write-Down Amount:**

**Write-Down Amount** is the amount of the write-down of the Prevailing Principal Amount of the Securities on the applicable Write-Down Date and will be equal to, at the determination of the Issuer:

- (i) the amount that would reduce the Prevailing Principal Amount to EUR 0.01, if the relevant Trigger Event has occurred pursuant to a) or b) of the Trigger Event definition in Condition 7.1 (*Write-Down upon Trigger Event*) to the extent required by the Applicable Regulations that apply at the time of the relevant Trigger Event, or as otherwise required pursuant to alternative requirements under the Applicable Regulations; or
- (ii) together with the *pro rata* conversion or write-down of all other Loss Absorbing Tier 1 Instruments of the Issuer (whether or not their terms provide for full conversion or write-down, as the case may be) when compared with the Prevailing Principal Amount:
  - (a) the amount necessary to restore the SCR Ratio to 100%, to the extent it is below 100%; or
  - (b) if the SCR Ratio cannot be restored to 100%, then the amount necessary on a linear basis to reflect the SCR Ratio where the Prevailing Principal Amount would be equal to (x) zero if the SCR Ratio were 75% and (y) the Initial Principal Amount if the SCR Ratio were 100%; or

- (c) any higher amount that would be required by the Applicable Regulations in force at the time of the Write-Down;

for each paragraph (a), (b) and (c) above, only if the relevant Trigger Event has occurred pursuant solely to (c) of the Trigger Event definition in Condition 7.1 (*Write-Down upon Trigger Event*) and if such Write-Down Amount is permitted by the Applicable Regulations that apply at the time of the Trigger Event and provided that the Prevailing Principal Amount shall not be reduced below EUR 0.01. If it were not permitted by the Applicable Regulations paragraph (i) will apply.

**Discretionary  
Reinstatement:**

Following any reduction of the Prevailing Principal Amount pursuant to Condition 7 (*Principal Loss Absorption*), the Issuer may to the extent permitted by the Applicable Regulations applicable at the relevant time and provided that Condition 7.3 (*Discretionary Reinstatement*) would not cause the occurrence of a Regulatory Event, at its full discretion, increase the Prevailing Principal Amount of the Securities (a **Discretionary Reinstatement**) on one or more occasions on any date and in any amount that it determines in its discretion (either to the Initial Principal Amount or to any lower amount) provided that:

- (A) the Issuer has restored compliance with the Solvency Capital Requirement and any Discretionary Reinstatement would not cause a Trigger Event to occur or the Solvency Condition to be breached;
- (B) the Discretionary Reinstatement is not activated by reference to Own Funds Items issued or increased in order to restore compliance with the Solvency Capital Requirement of the Issuer;
- (C) the Discretionary Reinstatement occurs only (i) on the basis of Net Profits (a) that contribute to the Issuer's Distributable Items made subsequent to the restoration of compliance with the Solvency Capital Requirement of the Issuer and (b) as adjusted to give due consideration to the resulting change in Own Funds Items of the Issuer and provided that the Issuer's Own Funds Items will not be lower as a result of the Discretionary Reinstatement than the Issuer's Own Funds Items would be on the same date if the equivalent amount of Net Profits were allocated to retained earnings of the Issuer and (ii) in a manner that does not undermine the loss absorbency intended by Article 71(5) of the Solvency II Regulation and does not hinder recapitalisation as required by Article 71(1)(d) of the Solvency II Regulation;
- (D) the Issuer shall take such decision relating to a Discretionary Reinstatement with due consideration to the overall financial and/or solvency condition of the Issuer (including, but not limited to, the Issuer's dividend policy and capital adequacy policy in effect at the time and its most recent medium term capital management plan incorporating relevant stress scenarios) in accordance with the Applicable Regulations at such time;

- (E) this will not result in the Prevailing Principal Amount of the Securities being greater than the Initial Principal Amount; and
- (F) any Discretionary Reinstatement will be made on a *pro rata* basis among other Loss Absorbing Tier 1 Instruments of the Issuer that have been subject to a temporary write-down and only to the extent that this does not worsen the SCR Ratio of the Issuer.

A Discretionary Reinstatement may occur on one or more occasions until the Prevailing Principal Amount of the Securities has been reinstated to the Initial Principal Amount. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

Any Discretionary Reinstatement shall be applied in respect of each Security equally.

The Issuer shall inform the Relevant Supervisory Authority of any Discretionary Reinstatement and Notice of any Discretionary Reinstatement shall be given to the Securityholders and to Euronext Dublin in accordance with Condition 10 (*Notices*) as soon as possible and no later than five Business Days prior to the date on which such Discretionary Reinstatement becomes effective.

See Condition 7.3 (*Discretionary Reinstatement*) for further information.

**Taxation:**

Payments on the Securities shall be made without withholding or deduction for, or on account of, any Taxes imposed or levied by or on behalf of the Netherlands or any political subdivision thereof unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will, subject to certain exceptions set out in Condition 8 (*Taxation*), pay such additional amounts in respect of Interest Payments, but not in respect of any payments of principal, as may be necessary in order that the net payment received by each Securityholder in respect of the Securities, after the withholding or deduction shall equal the amount which would have been received in the absence of any such withholding or deduction.

**Redemption at the option of the Issuer:**

Provided that the Redemption and Purchase Conditions are met, the Issuer may, upon notice to Securityholders and the Fiscal Agent, at its option, redeem all (but not some only) of the Securities, at any time from the First Call Date to and including the First Reset Date and on any Interest Payment Date thereafter at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

**Redemption, exchange or variation at the option of the Issuer for taxation reasons:**

Subject to certain conditions, if a Gross-Up Event or a Tax Deductibility Event occurs and the effect of either of the foregoing cannot be avoided by the Issuer taking reasonable measures not prejudicial to the interests of the Securityholders available to it, the Issuer may, upon notice to the Securityholders and the Fiscal Agent either:

- (i) redeem all (but not some only) of the Securities at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) exchange on any Interest Payment Date all (but not some only) of the Securities for new Securities (the **Exchanged Securities**), or vary the terms of the Securities (the **Varied Securities**) so that in either case the aggregate nominal amount of the Exchanged Securities or Varied Securities (as the case may be) become or remain, Qualifying Tier 1 Securities. Any such exchange or variation requires prior approval of the Relevant Supervisory Authority.

Any such exchange or variation requires prior approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Securityholders and shall be notified to them as soon as practicable thereafter.

**Redemption,  
exchange or variation  
for Rating Reasons:**

Subject to certain conditions, if at any time a Ratings Methodology Event has occurred and is continuing, or, as a result of any change in or clarification to the methodology of any Rating Agency (or in the interpretation of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer may, upon notice to Securityholders and the Fiscal Agent either:

- (i) redeem all (but not some only) of the Securities at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) exchange on any Interest Payment Date all (but not some only) of the Securities for, or vary the terms of the Securities so that they become or remain, Rating Agency Compliant Securities. Any such exchange or variation requires prior approval of the Relevant Supervisory Authority.

A **Ratings Methodology Event** will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) after the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later) as a result of which the equity content previously assigned by that Rating Agency to the Securities is, as notified by such Rating Agency to the Issuer or as published by the relevant Rating Agency, materially reduced when compared to the equity content assigned by that Rating Agency to the Securities on or around the Issue Date or, in case of a Rating Agency other than S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited or any successor, the date on which the relevant Rating Agency first assigns equity content to the Securities. In this definition, equity content may refer to any other

nomenclature that the relevant Rating Agency may then use to describe the contribution of the Securities to capital adequacy and financial leverage in the applicable rating methodology.

**Redemption,  
exchange or variation  
for Regulatory  
Reasons:**

Subject to certain conditions, if at any time a Regulatory Event has occurred and is continuing then the Issuer may, upon notice to Securityholders and the Fiscal Agent either:

- (i) redeem all (but not some only) of the Securities at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or
- (ii) exchange on any Interest Payment Date all (but not some only) of the Securities for, or vary the terms of the Securities so that in either case the aggregate nominal amount of the Exchanged Securities or Varied Securities (as the case may be) constitutes, Qualifying Tier 1 Securities of the Issuer.

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial non-qualification of the Securities as a result of a Write-Down.

A **Regulatory Event** is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by the Relevant Supervisory Authority or any court or authority entitled to do so of) the Applicable Regulations after the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), (i) the Issuer determines that the whole or any part of the Prevailing Principal Amount of the Securities is, or within the forthcoming period of six months will likely be, no longer capable of counting as Tier 1 Own Funds for the purposes of the Issuer on a consolidated basis, except where such non-qualification (A) is only as a result of any applicable limitation on the amount of such capital and (B) does not result from any replacement of or changes to Solvency II regarding the size of buckets of Own Funds Items, and/or (ii) in case the Applicable Regulations are supplemented or amended in relation to provisions specifically governing internationally active insurance groups (IAIG) and/or global systemically important insurers (G-SII), where appropriate and/or at the designation as such by the relevant supervisory authority as applicable to the Issuer, and where, following such supplement and/or amendments, the Prevailing Principal Amount of the Securities would likely not or no longer be recognised in full as Own Funds Items of the highest tier available for subordinated debt instruments after equity (regardless of the terminology used by Applicable Regulations so amended or supplemented), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

**Clean-up  
Redemption:**

Subject to certain conditions, the Issuer may, upon notice to Securityholders and the Fiscal Agent, at any time after the Issue Date redeem all (but not some only) of the Securities at any time at their Prevailing Principal Amount together with (to the extent that such interest



has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption if seventy-five (75) per cent. or more of the Securities originally issued (including any Further Securities) has been purchased and cancelled at the time of such election.

**Redemption and  
Purchase Conditions:**

Subject to certain conditions, the Securities may not be redeemed pursuant to any of the optional redemption provisions or purchased by the Issuer or any of its affiliates if:

- (A) the Solvency Condition is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Solvency Condition to be breached; or
- (B) the Issuer has determined that the Solvency Capital Requirement is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Solvency Capital Requirement to be breached; or
- (C) the Issuer has determined that the Minimum Capital Requirement is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Minimum Capital Requirement to be breached; or
- (D) an Insolvent Insurer Liquidation has occurred and is continuing; or
- (E) the Regulatory Clearance Condition is not satisfied; or
- (F) any additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Supervisory Authority have not been complied with following the proposed redemption or purchase (and will continue to not be complied with following the proposed redemption or purchase).

A redemption or any purchase of the Securities by the Issuer referred to in Condition 6 (*Redemption, Exchange, Variation and Purchase*):

- (i) that is within five (5) years from the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later) may only be made if (A) such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Securities or (B):
  - (a) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement, after the repayment or redemption or purchase, will be exceeded by an appropriate margin

taking into account the solvency position of the Issuer including the Issuer's medium-term capital management plan as provided in the Applicable Regulations; and

either

- (b) a Regulatory Event has occurred, and both of the following conditions are met:
  - (i) the Relevant Supervisory Authority considers the negative impact on the classification of the Securities as described in the definition of Regulatory Event to be sufficiently certain;
  - (ii) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the occurrence of a Regulatory Event was not reasonably foreseeable at the time of issuance of the Securities or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later); or
- (c) a Gross-Up Event or a Tax Deductibility Event has occurred which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the Securities or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later),

in each case, if the Applicable Regulations make a redemption or purchase conditional thereon; or

- (ii) that is after the fifth (5th) anniversary of the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), and before the tenth (10th) anniversary of the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), or any other such period prescribed by the Applicable Regulations, the Relevant Supervisory Authority shall have confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer including the Issuer's medium-term capital plan), unless such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Securities, in each case, if the Applicable Regulations make a redemption or purchase conditional thereon.

**Inapplicability  
Period:**

Notwithstanding anything to the contrary in Condition 6, the Issuer may waive, at any time and in its sole discretion and for whatever reason, its right to redeem, exchange or vary the Securities under any of Condition 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Exchange or Variation for Taxation*)

*Reasons*), 6.10 (*Redemption for Regulatory Reasons*), 6.11 (*Exchange or Variation for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*), 6.13 (*Exchange or Variation for Rating Reasons*) or 6.14 (*Clean-up Redemption*), in each case for a (definite or indefinite) period of time to be determined by the Issuer (the **Inapplicability Period**) by notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Securityholders.

**Purchase:** Subject to certain conditions, the Issuer or any of its affiliated entities may at any time purchase Securities in any manner and at any price.

**Acknowledgment of Bail-in and Write-down or Conversion Powers:** By the acquisition of the Securities, each Securityholder (which, for the purposes of Condition 14, includes any current or future holder of a beneficial interest in the Securities), Couponholder and beneficial holder of Coupons, will acknowledge, accept, consent and agree:

- (i) to be bound by the effect of the exercise of any Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due, including on a permanent basis;
  - (B) the conversion in whole or in part, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Securityholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities, in which case the Securityholder agrees to accept in lieu of its rights under the Securities any such shares, other securities or other obligations of the Issuer or another person;
  - (C) the cancellation of the Securities;
  - (D) the amendment or alteration of the term of the Securities or amendment of the amount of interest payable on the Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and/or
  - (E) any other tools and powers provided for in the Bail-in Powers,
- (ii) that the terms of the Securities are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

**Listing and Admission to trading:** Application has been made to Euronext Dublin for the Securities to be listed on the Official List and admitted to trading on its Global Exchange Market.

<b>Meetings of Securityholders:</b>	The Conditions contain provisions for convening meetings of Securityholders (including by way of conference call, by use of a videoconference platform, or by way of a hybrid meeting) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.
<b>Rating:</b>	<p>The Securities are expected to be rated BBB- by S&amp;P and BBB+ by Fitch.</p> <p>A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Securities.</p> <p>S&amp;P and Fitch are established in the EU and are registered under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended.</p>
<b>Clearing:</b>	Clearstream Banking S.A. and Euroclear Bank SA/NV.
<b>Selling Restrictions:</b>	The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from such registration. The Securities may be sold in other jurisdictions only in compliance with applicable laws and regulations. See “ <i>Subscription and Sale</i> ” below.
<b>Risk Factors</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Securities. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities and certain risks relating to the structure of the Securities. These are set out under “ <i>Risk Factors</i> ”.
<b>Governing Law:</b>	Dutch law.
<b>Use of proceeds:</b>	The net proceeds of the Securities will be applied for general corporate purposes of the Group (which may include, without limitation, the refinancing of existing debt, including callable capital securities).
<b>ISIN Code:</b>	XS2965647378
<b>Common Code:</b>	296564737
<b>CFI:</b>	DBFXPB
<b>FISN:</b>	NN GROUP NV/EUR NT PERP SUB

## DOCUMENTS INCORPORATED BY REFERENCE

This Offering Memorandum should be read and construed in conjunction with:

- (i) the Articles of Association (the official Dutch version and an English translation thereof) which can be obtained from <https://www.nn-group.com/nn-group/file?uuid=db37baf2-0f00-4a56-a84e-a53df9c058fe&owner=84c25534-c28a-4a64-9c78-5cc1388e4766&contentid=11155>;
- (ii) the audited consolidated annual accounts for the financial year ended 31 December 2022 (the **2022 Financial Statements**), together with the independent auditor's report thereon dated 8 March 2023 included in the Issuer's annual report for the financial year ended 31 December 2022 (the **2022 Annual Report**) on pages 157-316: [https://www.nn-group.com/nsassets/Annual\\_Report%20\\_2022.xhtml](https://www.nn-group.com/nsassets/Annual_Report%20_2022.xhtml);
- (iii) the audited consolidated annual accounts for the financial year ended 31 December 2023 (the **2023 Financial Statements**), together with the independent auditor's report thereon dated 20 March 2024 included in the Issuer's annual report for the financial year ended 31 December 2023 (the **2023 Annual Report**) on pages 168-361: [https://www.nn-group.com/nsassets/Annual\\_Report\\_2023.xhtml](https://www.nn-group.com/nsassets/Annual_Report_2023.xhtml);
- (iv) pages 3, 20, 41, 42, 43, 57-59 and 127 of the 2023 Annual Report: [https://www.nn-group.com/nsassets/Annual\\_Report\\_2023.xhtml](https://www.nn-group.com/nsassets/Annual_Report_2023.xhtml);
- (v) the tables included in the 2023 Annual Report on pages 3, 27, 28, 29 and 30: [https://www.nn-group.com/nsassets/Annual\\_Report\\_2023.xhtml](https://www.nn-group.com/nsassets/Annual_Report_2023.xhtml);
- (vi) the 30 June 2024 condensed consolidated interim financial information, which includes the independent auditor's review report dated 14 August 2024 on pages 46-48, (the **2024 Interim Accounts**) which can be obtained from: <https://www.nn-group.com/article-display-on-page-no-index/nn-group-interim-financial-information-1h-2024.htm>;
- (vii) the press release published by the Issuer on 15 August 2024 entitled "*NN Group reports strong delivery towards targets*", which can be obtained from: <https://www.nn-group.com/news/nn-group-reports-strong-delivery-towards-targets/>; and
- (viii) the press release published by the Issuer on 20 February 2025 entitled "*NN Group reports continued strong business performance in 2024*", which can be obtained from: <https://www.nn-group.com/article-display-on-page-no-index/nn-group-press-release-2h24.htm>,

(together, the **Documents Incorporated by Reference**), which have been previously published or are published simultaneously with this Offering Memorandum and which have been filed with Euronext Dublin. Such documents shall be incorporated in and form part of this Offering Memorandum, save that any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum. Any documents themselves incorporated by reference in the Documents Incorporated by Reference shall not form part of this Offering Memorandum.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Memorandum.

Copies of the Documents Incorporated by Reference in this Offering Memorandum may be obtained without charge from the registered office of the Issuer.

## TERMS AND CONDITIONS OF THE SECURITIES

*The terms and conditions of the Securities (each a Condition, and together the Conditions) will be as follows:*

The issue of the EUR 1,000,000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities (the **Securities** and each a **Security**) issued by NN Group N.V. (the **Issuer**) was authorised by a resolution of the Executive Board and the Management Board passed on 12 December 2024 and by a resolution of the Supervisory Board passed on 30 January 2025. A fiscal, paying and calculation agency agreement dated 11 March 2025 (the **Agency Agreement**) has been entered into in relation to the Securities between the Issuer and The Bank of New York Mellon, London Branch, as fiscal agent, paying agent and calculation agent (together with any substitute fiscal agent or calculation agent, as the case may be, the **Fiscal Agent** or the **Calculation Agent**).

Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Any reference herein to **Securityholders** shall mean the holders of the Securities, and shall, in relation to any Securities represented by a Security in global form (a **global Security**), be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

The statements in these terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the Securityholders and the Couponholders at the specified office of the Fiscal Agent. The Securityholders and the Couponholders are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References in these Conditions to **EUR**, **Euro** or **€** shall mean the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

### 1. DEFINITIONS

For purposes hereof, the following definitions shall apply:

**5 Year Mid-Swap Rate** means, subject to Condition 4.2, in relation to a Reset Period and the Reset Interest Rate Determination Date in respect of such Reset Period:

- (i) the mid-swap rate for euro swaps with a term of five (5) years which appears on the Screen Page, to be determined on or about 11:00 a.m. (Central European time) on such Reset Interest Rate Determination Date; or
- (ii) if such rate does not appear on the Screen Page at such time on such Reset Interest Rate Determination Date, the Reset Reference Bank Rate on such Reset Interest Rate Determination Date.

**Additional Amounts** has the meaning ascribed to it in Condition 8.1 (*Payment without withholding*).

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor

Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) (or if Independent Adviser or the Issuer in consultation with the Independent Adviser determines that no such industry standard is recognised or acknowledged);
- (C) the Independent Adviser and acting in good faith, determines to be appropriate.

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.2(a)(i) (*Benchmark replacement*) which has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in Euros.

**Applicable Regulations** means, at any time, any legislation, rules, guidelines, recommendations or regulations (whether having the force of law or otherwise) then applying to the Issuer or the Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II and any legislation, rules, guidelines, recommendations or regulations of the Relevant Supervisory Authority or the European Insurance and Occupational Pensions Authority (or any successor authority) or any other equivalent supervisory authority relating to such matters and further includes (without limitation) the provisions of regulatory laws as applicable at the relevant point in time with respect to internationally active insurance groups (IAIG) and/or global systemically important insurers (G-SII), where appropriate and/or at the designation as such by the relevant supervisory authority, as applicable to the Issuer or the Group and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Applicable Regulations shall be construed in the context of the Applicable Regulations as they apply to Tier 1 capital and on the basis that the Securities are intended to continue to have the characteristics of Tier 1 Own Funds of the Issuer and/or the Group (as applicable) under the Applicable Regulations notwithstanding the occurrence of a Regulatory Event.

**Assets** means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events in such manner and to such extent as one or more members of the Executive Board, the auditors or, as the case may be, the liquidator (*curator*) may determine to be appropriate.

**Benchmark Event** means:

- (A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

- (B) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate that means that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences for the Fiscal Agent, the Calculation Agent, the Issuer or any other party, in each case within the following six months; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, (i) the Original Reference Rate is no longer representative of an underlying market or (ii) the methodology to calculate the Original Reference Rate has materially changed; or
- (F) it has become unlawful for the Fiscal Agent, any paying agent, the Calculation Agent, the Issuer, the Independent Adviser or other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate.

**Business Day** means any day (other than a Saturday or a Sunday) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open.

**Calculation Amount** means, initially EUR 1,000 in principal amount of each Security, or, following adjustment (if any) downwards or upwards (either to EUR 1,000 or to any lower amount) in accordance with Condition 7 (*Principal Loss Absorption*), the amount resulting from such adjustment.

**Clearstream, Luxembourg** has the meaning ascribed to it in Condition 2 (*Denomination, Form and Title of the Securities*).

**Coupon** has the meaning ascribed to it in Condition 2 (*Denomination, Form and Title of the Securities*).

**Couponholder** has the meaning ascribed to it in the introduction to these Conditions.

**Day Count Fraction** means, in respect of any relevant period, the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

**Discretionary Reinstatement** has the meaning ascribed to it in Condition 7.3 (*Discretionary Reinstatement*).

**Euroclear** has the meaning ascribed to it in Condition 2 (*Denomination, Form and Title of the Securities*).



**Exchanged Securities** has the meaning ascribed to it in Condition 6.9 (*Exchange or Variation for Taxation Reasons*) and Condition 6.11 (*Exchange or Variation for Regulatory Reasons*) respectively.

**Executive Board** means the executive board (*Raad van Bestuur*) of the Issuer.

**Extraordinary Resolution** means a resolution passed at a meeting of the Securityholders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than 75 per cent. of the persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75 per cent. of the votes given on such poll.

**FATCA Withholding** has the meaning ascribed to it in Condition 8.1 (*Payment without withholding*).

**First Call Date** means 11 September 2034.

**First Reset Date** means 11 March 2035.

**Further Securities** means any further securities issued by the Issuer pursuant to Condition 13 (*Further Issues*).

**Gross-Up Event** has the meaning ascribed to it in Condition 6.7 (*Redemption following a Gross-Up Event*).

**Group** means the Issuer and its subsidiaries taken as a whole.

**Group Insurance Undertaking** means an Insurance Undertaking or a Reinsurance Undertaking of the Group.

**IA Determination Cut-off Date** has the meaning ascribed to it in Condition 4.2 (*Benchmark replacement*).

**Independent Adviser** has the meaning ascribed to it in Condition 4.2 (*Benchmark replacement*).

**Initial Principal Amount** means the principal amount of each Security at the Issue Date being EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000, without having regard to any subsequent Write-Down or Discretionary Reinstatement.

**Insolvent Insurer Liquidation** means a liquidation of any Group Insurance Undertaking that is not at that time a Solvent Insurer Liquidation.

**Insurance Undertaking** has the meaning ascribed to it in article 13 of the Solvency II Directive.

**Interest Payment** means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4 (*Interest*).

**Interest Payment Date** means 11 March and 11 September in each year, commencing on 11 September 2025.

**Interest Period** means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**Interest Rate** has the meaning ascribed to it in Condition 4.1(a).

**Issue Date** means 11 March 2025.

**Issuer Winding-Up** has the meaning ascribed to it in Condition 3.2 (*Subordination*).

**Issuer's Distributable Items** has the meaning assigned to such term in the Applicable Regulations then applicable to the Issuer. As at the Issue Date, **Issuer's Distributable Items** means, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

- (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus
- (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less
- (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date,

each as defined under national law, or in the articles of association of the Issuer.

**Junior Obligations** means any present and future classes of share capital of the Issuer, other than any class of preferred share capital that qualifies as a Parity Obligation or as a Senior Obligation, and any present and future unsecured, subordinated obligations of the Issuer which rank, or are expressed to be ranking, junior to its obligations to the Securityholders in respect of the Securities.

**Liabilities** means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events in such manner and to such extent as one or more members of the Executive Board, the auditors or, as the case may be, the liquidator (*curator*) may determine to be appropriate.

**Loss Absorbing Tier 1 Instruments** means instruments meeting the requirements to be classified as restricted Tier 1 Own Funds under the Solvency II Regulation, however, for the avoidance of doubt, excluding any instruments that in their terms do not include a principal loss absorption mechanism (such as conversion or write-down) that is activated by a trigger event set by reference to the Solvency Capital Requirement.

**Mandatory Interest Cancellation Event** has the meaning ascribed to it in Condition 4.4(b) (*Mandatory Interest Cancellation*).

**Margin** means 3.450 per cent. per annum.

**Mid-Swap Rate Quotations** means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (i) has a term of 5 years commencing on the relevant Reset Date;
- (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (iii) has a floating leg based on the six-month EURIBOR rate (calculated on an Actual/360 day count basis).

**Minimum Capital Requirement** at any time as applicable (a) means (i) when method 1 is used, the consolidated group Solvency Capital Requirement as referred to in the second subparagraph of article 230(2) of the Solvency II Directive or (ii), in the case a combination of method 1 and 2 is used, the minimum consolidated group Solvency Capital Requirement as referred to in article 341 of the Solvency II Regulation (or any equivalent terminology employed by the Applicable Regulations) or (b) has any other meaning as may be given thereto at such time under the Applicable Regulations.

**Net Profits** means the net profits of the Group as set out in the audited annual accounts of the Group adopted in each case by the Group's general meeting (or such other means of communication as determined by the Group at such time) pertaining for the preceding one or more financial year(s) of the Group.

**Original Reference Rate** has the meaning ascribed to it in Condition 4.2 (*Benchmark replacement*).

**Own Funds Items** means the amount of eligible "own funds-items" (or any equivalent terminology employed by the Applicable Regulations) of the Issuer on a consolidated basis.

**Parity Obligations** means any present and future obligations of the Issuer ranking, or expressed to be ranking, *pari passu* with its obligations to the Securityholders in respect of the Securities, including, but not limited to, the EUR 750,000,000 Perpetual Restricted Tier 1 Temporary Write-Down Securities issued by the Issuer on 12 March 2024 (ISIN: XS2602037629).

**Policyholder Claims** means claims of policyholders in a liquidation of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder pursuant to a contract of insurance.

**Prevailing Principal Amount** means the Initial Principal Amount as reduced from time to time by any Write-Down and as increased from time to time by any Discretionary Reinstatement.

**Qualifying Tier 1 Securities** means securities issued by the Issuer or otherwise being obligations of the Issuer or another member of the Group with a guarantee by the Issuer that:

- (i) have terms not materially less favourable to an investor than the terms of the Securities (as reasonably determined by the Issuer in consultation with an independent investment bank, consulting firm or comparable expert of international standing);
- (ii) subject to paragraph (i) above:
  - (a) contain terms which comply with the then current requirements of the Relevant Supervisory Authority in relation to Tier 1 Own Funds;

- (b) bear the same Prevailing Principal Amount and rate of interest from time to time applying to the Securities and preserve the Interest Payment Dates;
  - (c) contain terms providing for the cancellation of payments of interest only if such terms are not materially less favourable to an investor than the cancellation provisions contained in the original terms of the Securities;
  - (d) rank pari passu with the Securities;
  - (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption, provided that such Qualifying Tier 1 Securities may not be redeemed by the Issuer prior to the First Call Date (save for redemption, exchange or variation on terms analogous with Condition 6 (Redemption, Exchange, Variation and Purchase));
  - (f) preserve any existing rights under these Conditions to any accrued interest and any other amounts payable under the Securities which, in each case, has accrued to Securityholders and not been paid (but without prejudice to any right of the Issuer subsequently to cancel any such rights so preserved in accordance with the terms of the Qualifying Tier 1 Securities); and
- (iii) are listed or admitted to trading on Euronext Dublin or such other stock exchange as selected by the Issuer in consultation with the Fiscal Agent.

**Rating Agency** means S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited or any successor, affiliate or replacement thereto and any other credit rating agency of equivalent international standing solicited by the Issuer to grant a credit rating to the Issuer.

**Rating Agency Compliant Securities** means securities issued by the Issuer or otherwise being obligations of the Issuer or another member of the Group with a guarantee by the Issuer that are:

- (i) Qualifying Tier 1 Securities; and
- (ii) assigned by the Rating Agency substantially the same equity content or, at the absolute discretion of the Issuer, a lower equity content (provided such equity content is still higher than the equity content assigned to the Securities after the occurrence of the Ratings Methodology Event) as that which was assigned by the Rating Agency to the Securities on or around the Issue Date or, in case of a Rating Agency other than S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited or any successor, the date on which the Rating Agency first assigns equity content to the Securities.

A **Ratings Methodology Event** will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation by the relevant Rating Agency of such methodology) after the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later) as a result of which the equity content previously assigned by that Rating Agency to the Securities is, as notified by such Rating Agency to the Issuer or as published by the relevant Rating Agency, materially reduced when compared to the equity content assigned by that Rating Agency to the Securities on or around the Issue Date or, in case of a Rating Agency other than S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited or any successor, the date on which the relevant Rating Agency first assigns

equity content to the Securities. In this definition, equity content may refer to any other nomenclature that the relevant Rating Agency may then use to describe the contribution of the Securities to capital adequacy and financial leverage in the applicable rating methodology.

**Redemption and Purchase Conditions** has the meaning ascribed to it in Condition 6.2 (*Conditions to Redemption and Purchase*).

the **Regulatory Clearance Condition** being satisfied means, in respect of any proposed act on the part of the Issuer or the Group, the Relevant Supervisory Authority having approved, having given permission or consented to, or having been given due notification of and not having objected to (if and to the extent applicable), such act (in any case only if and to the extent required by the Relevant Supervisory Authority or the Applicable Regulations (on the basis that the Securities are intended to qualify as Tier 1 Own Funds) at the relevant time).

**Regulatory Event** has the meaning ascribed to it in Condition 6.10 (*Redemption for Regulatory Reasons*).

**Reinsurance Undertaking** has the meaning ascribed to it in article 13 of the Solvency II Directive.

**Relevant Coupons** has the meaning ascribed to it in Condition 5.5 (*Deduction for unmatured Coupons*).

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the Euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the Euro, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**Relevant Supervisory Authority** means any existing or future regulator or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer. As at the Issue Date, the Relevant Supervisory Authority is the Dutch Central Bank (*De Nederlandsche Bank N.V.* or DNB).

**Replacement Screen Page** has the meaning ascribed to it in Condition 4.2 (*Benchmark replacement*).

**Reset Date** means the First Reset Date, the fifth (5th) anniversary thereof and each subsequent fifth (5th) anniversary thereof.

**Reset Period** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

**Reset Interest Rate Determination Date** means, in respect of each Reset Period, the second Business Day prior to the start of each Reset Period.

**Reset Reference Bank Rate** means, with respect to a Reset Interest Rate Determination Date, the percentage rate determined on the basis of the Mid-Swap Rate Quotations provided at the request of the Issuer or a third party appointed by the Issuer for this purpose on its behalf by

the Reset Reference Banks to the Fiscal Agent at approximately 11:00 a.m. (Central European time) on such Reset Interest Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the 5 Year Mid-Swap Rate that appeared on the most recent Screen Page that was available.

**Reset Reference Banks** means each of five (5) banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

**SCR Ratio** means the sum of all Own Funds Items divided by the Solvency Capital Requirement, using the latest available values.

**Screen Page** means Reuters screen “ICESWAP2” or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5 Year Mid-Swap Rate.

**Securities Settlement System** has the meaning ascribed to it in Condition 2 (*Denomination, Form and Title of the Securities*).

**Securityholder** has the meaning ascribed to it in the introduction to these Conditions.

**Senior Obligations** means any present and future obligations to creditors of the Issuer (a) who are unsubordinated creditors of the Issuer or (b) whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of the Issuer (such subordinated claims including any claims with respect to instruments that qualify as Tier 2 Own Funds or Tier 3 Own Funds (in each case whether or not such securities count as Tier 2 Own Funds or Tier 3 Own Funds, respectively, at the time) of the Issuer), including, but not limited to, the €1,000,000,000 Fixed to Floating Rate Undated Subordinated Notes issued on 15 July 2014 (ISIN: XS1028950290), the €850,000,000 31nc11 Fixed-to-Floating Rate Subordinated Notes due 13 January 2048 issued on 13 January 2017 (ISIN: XS1550988643), the €500,000,000 Fixed-to-Floating Rate Green Subordinated Tier 2 Notes due March 2043 issued on 30 August 2022 (ISIN: XS2526486159) and the €1,000,000,000 6.000% Fixed-to-Floating Rate Green Subordinated Tier 2 Notes due November 2043 issued on 3 May 2023 (ISIN: XS2616652637), other than those obligations that are, or are expressed to rank, *pari passu* with or junior to its obligations to the Securityholders in respect of the Securities.

**Solvency II** means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive as amended or replaced from time to time (for the avoidance of doubt, whether implemented by way of Regulation, Implementing Technical Standards or by further Directives, Q&As or guidelines published by the European Insurance and Occupational Pensions Authority (or any successor entity), the Relevant Supervisory Authority or otherwise) including, without limitation, the Solvency II Regulation.

**Solvency II Directive** means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II), as amended.

**Solvency II Regulation** means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing the Solvency II Directive, as amended.

**Solvency Capital Requirement** at any time as applicable means the consolidated group Solvency Capital Requirement pursuant to the Applicable Regulations (regardless of the terminology used at such time by the Applicable Regulations).

**Solvency Condition** means that (a) the Issuer is able to pay its debts to its unsubordinated and unsecured creditors as they fall due and (b) the Issuer's Assets exceed its Liabilities (including Liabilities that are, or are expressed to be, subordinated (whether only in the event of an Issuer Winding-Up or otherwise) to the claims of unsubordinated creditors of the Issuer (such subordinated claims including any claims with respect to instruments that qualify as Tier 2 Own Funds or Tier 3 Own Funds (in each case whether or not such securities count as Tier 2 Own Funds or Tier 3 Own Funds, respectively, at the time) of the Issuer), other than to those whose claims are in respect of Parity Obligations or Junior Obligations).

**Solvent Insurer Liquidation** means a liquidation of any Group Insurance Undertaking where the Issuer has determined, acting reasonably, that all Policyholder Claims of such Group Insurance Undertaking will be met.

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

**Supervisory Board** means the supervisory board (*raad van commissarissen*) of the Issuer.

**Talon** has the meaning ascribed to it in Condition 2 (*Denomination, Form and Title of the Securities*).

**Tax Deductibility Event** has the meaning ascribed to it in Condition 6.8 (*Redemption following a Tax Deductibility Event*).

**Tax Law Change** means any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including any such change as a consequence of case law, which change or amendment becomes effective on or after the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later).

**Taxes** has the meaning ascribed to it in Condition 8.1 (*Payment without withholding*).

**Tier 1 Own Funds** has the meaning ascribed to it in the Applicable Regulations from time to time.

**Tier 2 Own Funds** has the meaning ascribed to it in the Applicable Regulations from time to time.

**Tier 3 Own Funds** has the meaning ascribed to it in the Applicable Regulations from time to time.

**Trigger Event** has the meaning ascribed to it in Condition 7.1 (*Write-Down upon Trigger Event*).

**Varied Securities** has the meaning ascribed to it in Condition 6.9 (*Exchange or Variation for Taxation Reasons*) and Condition 6.11 (*Exchange or Variation for Regulatory Reasons*) respectively.

**Write-Down** and **Written Down** each have the meaning ascribed to it in Condition 7.2 (*Write-Down procedure*).

**Write-Down Amount** is the amount of the write-down of the Prevailing Principal Amount of the Securities on the applicable Write-Down Date and will be equal to, at the determination of the Issuer:

- (i) the amount that would reduce the Prevailing Principal Amount to EUR 0.01, if the relevant Trigger Event has occurred pursuant to a) or b) of the Trigger Event definition in Condition 7.1 (*Write-Down upon Trigger Event*) to the extent required by the Applicable Regulations that apply at the time of the relevant Trigger Event, or as otherwise required pursuant to alternative requirements under the Applicable Regulations; or
- (ii) together with the *pro rata* conversion or write-down of all other Loss Absorbing Tier 1 Instruments of the Issuer (whether or not their terms provide for full conversion or write-down, as the case may be) when compared with the Prevailing Principal Amount:
  - (a) the amount necessary to restore the SCR Ratio to 100%, to the extent it is below 100%; or
  - (b) if the SCR Ratio cannot be restored to 100%, then the amount necessary on a linear basis to reflect the SCR Ratio where the Prevailing Principal Amount would be equal to (x) zero if the SCR Ratio were 75% and (y) the Initial Principal Amount if the SCR Ratio were 100%; or
  - (c) any higher amount that would be required by the Applicable Regulations in force at the time of the Write-Down;

for each paragraph (a), (b) and (c) above, only if the relevant Trigger Event has occurred pursuant solely to (c) of the Trigger Event definition in Condition 7.1 (*Write-Down upon Trigger Event*) and if such Write-Down Amount is permitted by the Applicable Regulations that apply at the time of the Trigger Event, and provided that the Prevailing Principal Amount shall not be reduced below EUR 0.01. If it were not permitted by the Applicable Regulations paragraph (i) will apply.

**Write-Down Date** means any date on which a reduction of the Prevailing Principal Amount will take effect.

**Write-Down Notice** means a notice which specifies (i) that a Trigger Event has occurred, (ii) the Write-Down Amount and (iii) the Write-Down Date. Any such notice shall be accompanied by a certificate signed by an authorised officer of the Issuer stating that a Trigger Event has occurred and setting out the method of calculation of the relevant Write-Down Amount attributable to the Securities.

**Write-Down Testing Date** means the date falling three months after the occurrence of a Trigger Event pursuant to Condition 7.1(c) and each subsequent three-month anniversary of the date thereof or any other date determined by the Relevant Supervisory Authority according to



the Applicable Regulations, until compliance with the Solvency Capital Requirement has been re-established, or as otherwise required according to the Applicable Regulations.

## **2. DENOMINATION, FORM AND TITLE OF THE SECURITIES**

The Securities are in bearer form and, in the case of definitive Securities, serially numbered and with interest coupons (**Coupons**) and talons for further Coupons (**Talons**) attached.

Subject as set out below, title to the Securities and Coupons will pass by delivery (*levering*). Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and the Fiscal Agent may deem and treat the bearer of any Security or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Securities is represented by a global Security held on behalf of Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or Euroclear Bank SA/NV (**Euroclear**) (together; the **Securities Settlement System**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of the Securities Settlement System as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by the Securities Settlement System as to the nominal amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Fiscal Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose the bearer of the relevant global Security shall be treated by the Issuer and the Fiscal Agent as the holder of such Securities in accordance with and subject to the terms of the relevant global Security (and the expression Securityholder and related expressions shall be construed accordingly). Securities which are represented by a global Security held by a common depositary or a common safekeeper for the Securities Settlement System will be transferable only in accordance with the rules and procedures for the time being of the Securities Settlement System.

The Securities are issued in denominations of EUR 200,000 and integral multiples of EUR 1,000 in excess thereof up to (and including) EUR 399,000 and can only be settled through the Securities Settlement System in nominal amounts equal to a whole denomination (or a whole multiple thereof).

## **3. STATUS AND SUBORDINATION OF THE SECURITIES AND SET-OFF**

### **3.1 Status**

The Securities constitute unsecured and subordinated obligations of the Issuer. The rights and claims of the Securityholders are subordinated as described in Condition 3.2 (*Subordination*).

### **3.2 Subordination**

The rights and claims (if any) of the Securityholders to payment of the Prevailing Principal Amount of the Securities and any other amounts in respect of the Securities (including any accrued interest or damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of (i) insolvency (*faillissement*) of the Issuer, (ii) moratorium (*surseance van betaling*) being applied to the Issuer, (iii) dissolution (*ontbinding*) of the Issuer

or (iv) liquidation (*vereffening*) of the Issuer (such events (i) through (iv) each being an **Issuer Winding-Up**) rank, in each case in accordance with and subject to mandatory applicable law:

- (i) junior to the rights and claims of creditors in respect of Senior Obligations;
- (ii) *pari passu* without any preference among themselves and with all rights and claims of creditors in respect of Parity Obligations; and
- (iii) senior only to the rights and claims of creditors in respect of Junior Obligations.

By virtue of such subordination, payments to a Securityholder will, in the event of an Issuer Winding-Up, only be made after all Senior Obligations of the Issuer have been satisfied. There will be no negative pledge in respect of the Securities.

### 3.3 Waiver of Set-Off

By acceptance of the Securities, each Securityholder will be deemed to have waived any right of set-off or counterclaim that such Securityholder might otherwise have against the Issuer in respect of or arising under the Securities whether prior to or in an Issuer Winding-Up. Notwithstanding the preceding sentence, if any of the rights and claims of any Securityholder in respect of or arising under or in connection with the Securities are discharged by set-off, such Securityholder will, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator (*curator*) or administrator (*bewindvoerder*) of the Issuer and, until such time as payment is made, will hold a sum equal to such amount for the Issuer or, if applicable, the liquidator (*curator*) or administrator (*bewindvoerder*) in an Issuer Winding-Up. Accordingly, any such discharge will be deemed not to have taken place.

## 4. INTEREST

### 4.1 General

- (a) Subject to Condition 4.4 (*Interest Cancellation*), the Securities bear interest on their Prevailing Principal Amount (i) at a fixed rate of 5.750 per cent. per annum from (and including) the Issue Date to (but excluding) the First Reset Date, and (ii) thereafter at a fixed rate of interest which will be reset on each Reset Date, to be calculated by the Calculation Agent as the sum of the applicable 5 Year Mid-Swap Rate in relation to that Reset Period, plus the Margin, converted to a semi-annual rate in accordance with market convention (rounded to three decimal places with 0.0005 rounded upwards) (the **Interest Rate**), payable semi-annually in arrear on each Interest Payment Date.
- (b) The Calculation Agent will cause the Interest Rate for each Interest Period to be notified to the Issuer and to Euronext Dublin and any other stock exchange on which the Securities are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be given to the Securityholders in accordance with Condition 10 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and Amsterdam.
- (c) On each Interest Payment Date, the Issuer shall pay interest on the Securities accrued to that date in respect of the Interest Period ending immediately prior to such Interest Payment Date

in equal semi-annual instalments, subject to the provisions of Condition 4.4 (*Interest Cancellation*) below.

- (d) If interest is required to be calculated for a period other than an Interest Period, such interest shall be calculated by applying the Interest Rate to the Prevailing Principal Amount, multiplying such sum by the Day Count Fraction, and rounding the resultant figure to the nearest Euro cent, with half of a Euro cent being rounded upwards.

Interest in respect of the Securities shall be calculated per Calculation Amount.

- (e) Subject to cancellation of interest (in whole or in part) as provided herein, the Securities will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Securities is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Securities will continue to bear interest at the relevant Interest Rate on their remaining unpaid amount until the day on which all sums due in respect of the Securities up to (but excluding) that day are received by or on behalf of the relevant Securityholder.

## 4.2 Benchmark replacement

- (a) Notwithstanding the provisions above in Condition 4.1 (*General*), if a Benchmark Event occurs in relation to the 5 Year Mid-Swap Rate as a result of the 5 Year Mid-Swap Rate or any component customarily used in the determination thereof (the **Original Reference Rate**) when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate:
  - (i) the Issuer shall use reasonable endeavours to appoint an independent financial institution of international repute or an independent financial advisor with appropriate expertise (the **Independent Adviser**) to determine a Successor Rate, failing which an Alternative Rate and a replacement screen page or source (the **Replacement Screen Page**) no later than three Business Days prior to the Reset Interest Rate Determination Date relating to the next succeeding Reset Period (the **IA Determination Cut-off Date**) for purposes of determining the Original Reference Rate for all future Reset Periods (subject to the subsequent operation of this Condition 4.2(a));
  - (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate and Replacement Screen Page prior to the IA Determination Cut-off Date, then the Issuer (in consultation with the Fiscal Agent or the Independent Adviser where appointed but unable to determine whether a Successor Rate or an Alternative Rate is available and acting in good faith and a commercially reasonable manner) may determine which (if any) rate has replaced the Original Reference Rate in customary market usage for purposes of determining a 5-year mid-swap rate denominated in Euro, or, if it determines that there is no such rate, which (if any) rate is most comparable to the Original Reference Rate, and the Successor Rate or an Alternative Rate shall be the rate so determined by the Issuer and the Replacement Screen Page shall be such page of an information service as displays the Successor Rate or Alternative Rate; provided, however, that if this Condition 4.2(a)(ii) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Rate and Replacement Screen Page prior to the Reset Interest Rate Determination Date relating to the next succeeding Reset Period in accordance with this Condition 4.2(a)(ii), the Original Reference Rate applicable to such Reset Period shall be equal to the Original Reference Rate that appeared on the most recent Screen Page that was available;

- (iii) if a Successor Rate or an Alternative Rate and Replacement Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Rate and Replacement Screen Page shall be the reference rate (5 Year Mid-Swap Rate) and the Screen Page in relation to the Securities for all future Reset Periods (subject to the subsequent operation of this Condition 4.2(a));
  - (iv) if the Independent Adviser or the Issuer in consultation with the Independent Adviser determines a Successor Rate or an Alternative Rate in accordance with the above provisions, the Independent Adviser or the Issuer in consultation with the Independent Adviser (as the case may be), may also determine (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser or the Issuer in consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Rate, as applicable, will apply without an Adjustment Spread. Any such changes shall be deemed to apply to the Securities for all future Reset Periods (subject to the subsequent operation of this Condition 4.2(a)); and
  - (v) the Issuer shall, promptly following the determination of any Successor Rate or an Alternative Rate and Replacement Screen Page, give notice thereof and of any changes which are deemed to apply to the Securities pursuant to Condition 4.2(a)(iv) above in accordance with Condition 10 (*Notices*) to the Securityholders, to the Fiscal Agent and the Calculation Agent and to each listing authority and/or stock exchange (or listing agent as the case may be) by which the Securities have then been admitted to listing and trading.
- (b) Notwithstanding any other provision of this Condition 4.2, no Successor Rate or an Alternative Rate (including any Adjustment Spread) will be adopted, nor will any other amendment to the terms of the Securities be made, if and to the extent that, as confirmed by a certificate signed by two (2) managing directors of the Issuer, the same would cause the Securities to cease qualifying as Tier 1 Own Funds of the Issuer or as other equivalent regulatory capital of the Issuer under the Applicable Regulations.

Any certificate referred to above signed by two (2) managing directors of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the Securityholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and the Fiscal Agent shall be entitled to rely on such certificate without liability to any person.

### **4.3 Calculation Agent**

- (a) The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Securities remain outstanding there shall at all times be a Calculation Agent for the purposes of the Securities having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Rate, the Issuer shall appoint the European office of another leading bank engaged in the Amsterdam or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed.

- (b) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest*) by the Calculation Agent will (in the absence of default, bad faith or manifest error) be final and binding on the Issuer and all Securityholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer or the Securityholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 4 (*Interest*).

#### **4.4 Interest Cancellation**

- (a) Optional Cancellation of Interest Payments

Subject to Condition 4.4(b) (*Mandatory Interest Cancellation*), the Issuer may, at its sole and absolute discretion at any time elect to cancel in full or in part any Interest Payment which would otherwise be due and payable on any Interest Payment Date.

- (b) Mandatory Interest Cancellation

To the extent required by the Applicable Regulations in order for the Securities to qualify as Tier 1 Own Funds from time to time and save as otherwise permitted pursuant to Condition 4.4(c) (*Exceptional Waiver of Interest Cancellation*), the Issuer shall be required to cancel any Interest Payment on the Securities in accordance with this Condition 4, if:

- (i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment; or
- (ii) the Issuer has determined that there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment; or
- (iii) the Issuer has determined that there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment; or
- (iv) the amount of such Interest Payment, interest payments or distributions which have been made or which are scheduled to be paid or made on the same payment date on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment,

each of the events or circumstances described in Conditions 4.4(b)(i) to (iv) (inclusive) above being a **Mandatory Interest Cancellation Event**.

- (c) Exceptional Waiver of Interest Cancellation

An Interest Payment shall not be cancelled upon occurrence of a Mandatory Interest Cancellation Event, in whole or in part (as applicable) in relation to an Interest Payment (or such part thereof) if cumulatively:

- (i) the Relevant Supervisory Authority has exceptionally waived the cancellation of Interest Payments; and
  - (ii) such Interest Payments do not further weaken the solvency position of the Issuer and/or the Group; and
  - (iii) the Minimum Capital Requirement is complied with immediately after such Interest Payment is made; and
  - (iv) the Mandatory Interest Cancellation Event is of the type described in paragraph (ii) of such definition only.
- (d) Non-cumulative Interest

Any Interest Payment which is not paid on any Interest Payment Date shall not accumulate or be payable at any time thereafter, and such non-payment will not constitute a default or an event of default by the Issuer for any purpose, and the Securityholders shall have no right thereto.

If the Issuer fails to make any Interest Payment on an Interest Payment Date, such non-payment shall evidence that the Issuer has elected, or is required, to cancel such Interest Payment in accordance with the foregoing provisions.

- (e) Notice of Cancellation

If practicable under the circumstances, the Issuer shall give not less than five (5) nor more than thirty (30) Business Days' prior notice to the Securityholders in accordance with Condition 10 (*Notices*) of any optional or mandatory cancellation of any Interest Payment under the Securities on any Interest Payment Date.

So long as the Securities are listed on Euronext Dublin and the rules of such stock exchange so require, notice of any such cancellation shall also be given as soon as reasonably practicable to such stock exchange.

This notice will not be a condition to the cancellation of any Interest Payment. Any delay or failure by the Issuer to give such notice shall not affect the cancellation described above nor constitute a default or event of default by the Issuer for any purpose.

## **5. PAYMENTS**

### **5.1 Principal**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Securities at the specified office of any paying agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to T2.

### **5.2 Interest**

Payments of interest shall, subject to Condition 5.7 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any paying agent outside the United States in the manner described in Condition 5.1 (*Principal*) above.

### 5.3 Global Form

Payments of principal and interest (if any) in respect of Securities represented by a global Security will (subject as provided below) be made in the manner specified above in relation to definitive Securities and otherwise in the manner specified in the relevant global Security, where applicable, against presentation or surrender, as the case may be, of such global Security at the specified office of any paying agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Security either by such paying agent to which it was presented or in the records of relevant Securities Settlement System.

The holder of a global Security shall be the only person entitled to receive payments in respect of Securities represented by such global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such global Security in respect of each amount so paid. Each of the persons shown in the records of relevant Securities Settlement System as the beneficial holder of a particular nominal amount of Securities represented by such global Security must look solely to the relevant Securities Settlement System, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Security. No person other than the holder of such global Security shall have any claim against the Issuer in respect of any payments due on that global Security.

### 5.4 Payments subject to fiscal or other laws

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### 5.5 Deduction for unmatured Coupons

If a Security is presented without all unmatured Coupons relating thereto, then:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the

sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 5.1 (*Principal*) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8.1 (*Payment without withholding*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due. No payments will be made in respect of void Coupons.

## **5.6 Payments on Business Days**

If the due date for payment of any amount in respect of any Security or Coupon is not a Business Day in the place of presentation, the Securityholder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

## **5.7 Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Securities at the specified office of any paying agent outside the United States.

## **5.8 Partial payments**

If the Fiscal Agent makes a partial payment in respect of any Security or Coupon presented to it for payment, the Fiscal Agent will endorse thereon a statement indicating the amount and the date of such payment.

# **6. REDEMPTION, EXCHANGE, VARIATION AND PURCHASE**

## **6.1 No Redemption Date**

The Securities are perpetual Securities in respect of which there is no fixed maturity or redemption date. The Issuer shall be entitled to redeem or purchase the Securities only in accordance with the provisions below. The Securities are not redeemable at the option of the Securityholders at any time.

## **6.2 Conditions to Redemption and Purchase**

To the extent required by the Applicable Regulations in order for the Securities to qualify as Tier 1 Own Funds from time to time, the Securities may not be redeemed pursuant to any of the optional redemption provisions referred to below under Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.10 (*Redemption for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*) or 6.14 (*Clean-up Redemption*) or purchased by the Issuer or any of its affiliates pursuant to Condition 6.17 (*Purchases*), if:

- (i) the Solvency Condition is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Solvency Condition to be breached; or



- (ii) the Issuer has determined that the Solvency Capital Requirement is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Solvency Capital Requirement to be breached; or
- (iii) the Issuer has determined that the Minimum Capital Requirement is not met immediately prior to the redemption or purchase of the Securities (as applicable) or the redemption or purchase (as applicable) would cause the Minimum Capital Requirement to be breached; or
- (iv) an Insolvent Insurer Liquidation has occurred and is continuing; or
- (v) the Regulatory Clearance Condition is not satisfied; or
- (vi) any additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Supervisory Authority have not been complied with following the proposed redemption or purchase (and will continue to not be complied with following the proposed redemption or purchase),

and is each continuing on the relevant redemption or purchase date (the conditions set out in Condition 6.2(i) to (vi) (*Conditions to Redemption and Purchase*) (inclusive) being the **Redemption and Purchase Conditions**). For the avoidance of doubt, the Redemption and Purchase Conditions shall be met if none of the situations set out in Condition 6.2(i) to 6.2(vi) (*Conditions to Redemption and Purchase*) (inclusive) occurs, and are not met if any of the situations under (i) through (vi) occurs.

Notwithstanding the above conditions, if, at the time of any redemption or purchase, the prevailing Applicable Regulations permit the repayment or purchase of Tier 1 Own Funds only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s) and references herein to “Redemption and Purchase Conditions” shall be construed accordingly.

A redemption pursuant to Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.10 (*Redemption for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*) or 6.14 (*Clean-up Redemption*) or any purchase of the Securities referred to in Condition 6.17 (*Purchases*):

- (i) that is within five (5) years from the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later) may only be made if (A) such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Securities or (B):
  - (a) the Relevant Supervisory Authority has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement, after the repayment or redemption or purchase, will be exceeded by an appropriate margin taking into account the solvency position of the Issuer including the Issuer’s medium-term capital management plan as provided in the Applicable Regulations; and
  - either
  - (b) a Regulatory Event has occurred, and both of the following conditions are met:

- (i) the Relevant Supervisory Authority considers the negative impact on the classification of the Securities as described in the definition of Regulatory Event to be sufficiently certain;
- (ii) the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority that the occurrence of a Regulatory Event was not reasonably foreseeable at the time of issuance of the Securities or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later); or
- (c) a Gross-Up Event or a Tax Deductibility Event has occurred which the Issuer demonstrates to the satisfaction of the Relevant Supervisory Authority is material and was not reasonably foreseeable at the time of issuance of the Securities or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later),

in each case, if the Applicable Regulations make a redemption or purchase conditional thereon; or

- (ii) that is after the fifth (5th) anniversary of the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), and before the tenth (10th) anniversary of the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), or any other such period prescribed by the Applicable Regulations, the Relevant Supervisory Authority shall have confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer including the Issuer's medium-term capital plan), unless such redemption or purchase shall be in exchange for or funded out of the proceeds of a new issuance of capital of at least the same quality as the Securities, in each case, if the Applicable Regulations make a redemption or purchase conditional thereon.

If on the proposed date for redemption of the Securities the Redemption and Purchase Conditions are not met, redemption of the Securities shall instead be deferred and such redemption shall occur only in accordance with Condition 6.4 (*Deferral of Redemption or Purchase*).

### **6.3 Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority**

Notwithstanding Condition 6.2 (*Conditions to Redemption and Purchase*), the Issuer shall be entitled to redeem or purchase the Securities (to the extent permitted by the Applicable Regulations) where:

- (i) all Redemption and Purchase Conditions are met other than the condition that (a) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Securities (as applicable) and/or (b) the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached; and
- (ii) the Relevant Supervisory Authority has exceptionally waived the deferral of redemption or, as the case may be, purchase of the Securities; and

- (iii) all (but not some only) of the Securities redeemed or purchased at such time are exchanged for a new issue of Tier 1 Own Funds of the same or higher quality than the Securities; and
- (iv) the Minimum Capital Requirement will be complied with immediately following such redemption or purchase, if made.

#### **6.4 Deferral of Redemption or Purchase**

The Issuer shall notify the Securityholders in accordance with Condition 10 (*Notices*) no later than five (5) Business Days prior to any date set for redemption or purchase, as applicable, of the Securities if such redemption or purchase, as applicable is to be deferred in accordance with this Condition 6.4, provided that if an event occurs less than five (5) Business Days prior to the date set for redemption or purchase, as applicable, that results in the Redemption and Purchase Conditions ceasing to be met, the Issuer shall notify the Securityholders in accordance with Condition 10 (*Notices*) as soon as reasonably practicable following the occurrence of such event.

If redemption or purchase, as applicable, of the Securities does not occur on the date specified in the notice of redemption, or purchase, as applicable, by the Issuer under Condition 6.6 (*Redemption at the Option of the Issuer*), 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.10 (*Redemption for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*), 6.14 (*Clean-up Redemption*) or 6.17 (*Purchases*) as a result of the operation of Condition 6.2 (*Conditions to Redemption and Purchase*), the Issuer shall redeem or purchase, as applicable, such Securities at their Prevailing Principal Amount together with any other accrued and unpaid interest (in each case, to the extent that such amounts have not previously been cancelled pursuant to these Conditions), upon the earlier of:

- (i) the date falling ten (10) Business Days after the date on which the Redemption and Purchase Conditions are met or redemption or purchase, as applicable, of the Securities is otherwise permitted pursuant to Condition 6.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Supervisory Authority*); or
- (ii) the date falling ten (10) Business Days after the date on which the Relevant Supervisory Authority has agreed to the repayment, redemption or purchase, as applicable, of the Securities; or
- (iii) the date on which an Issuer Winding-Up occurs.

The Issuer shall notify the Fiscal Agent, the Calculation Agent and the Securityholders in accordance with Condition 10 (*Notices*) no later than five (5) Business Days prior to any such date set for redemption or purchase, as applicable, pursuant to Condition 6.4(i), (ii) or (iii).

#### **6.5 Deferral of Redemption Not a Default**

Notwithstanding any other provision in these Conditions, the deferral of redemption of the Securities in accordance with Condition 6.2 (*Conditions to Redemption and Purchase*) and Condition 6.4 (*Deferral of Redemption or Purchase*) will not constitute a default by the Issuer and will not give Securityholders any right to accelerate the Securities or take any enforcement action under the Securities.

## 6.6 Redemption at the Option of the Issuer

Provided that the Redemption and Purchase Conditions are met, the Issuer may, having given:

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Securities at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any other accrued and unpaid interest to (but excluding) the date of redemption at any time from the First Call Date to and including the First Reset Date and on any Interest Payment Date thereafter.

## 6.7 Redemption following a Gross-Up Event

Provided that the Redemption and Purchase Conditions are met, if a certificate signed by the Issuer, represented by at least one member of the Executive Board and an opinion of a recognised law firm of international standing has been delivered to the Fiscal Agent, stating that as a result of a Tax Law Change, the Issuer would, on the occasion of the next payment of interest due in respect of the Securities, not be able to make such payment without having to pay Additional Amounts, and this cannot be avoided by the Issuer taking reasonable measures not prejudicial to the interests of the Securityholders available to it at the time (a **Gross-Up Event**), the Issuer may, subject to having given:

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Securities, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for taxes.

## 6.8 Redemption following a Tax Deductibility Event

Provided that the Redemption and Purchase Conditions are met, if a certificate signed by the Issuer, represented by at least one member of the Executive Board and an opinion of a recognised law firm of international standing has been delivered to the Fiscal Agent, stating that as a result of a Tax Law Change, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full deductibility for the purposes of the Dutch Corporate Income Tax Act 1969 (*Wet vennootschapsbelasting 1969*) or the Dutch Minimum Tax Act 2024 (*Wet minimumbelasting 2024*) for any payment of interest payable by the Issuer in respect of the

Securities, and this cannot be avoided by the Issuer taking reasonable measures not prejudicial to the interests of the Securityholders available to it at the time (a **Tax Deductibility Event**), the Issuer may, subject to having given:

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Securities, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption, provided that redemption will not take place before the latest practicable date on which the Issuer could make such payment with the interest payable being tax deductible in the Netherlands.

## **6.9 Exchange or Variation for Taxation Reasons**

If at any time, the Issuer determines that a Gross-Up Event or a Tax Deductibility Event has occurred and is continuing, the Issuer may, instead of redeeming the Securities in the manner described above, on any Interest Payment Date, without the consent of the Securityholders, (i) exchange all (but not some only) of the Securities for new securities (the **Exchanged Securities**), or (ii) vary the terms of all (but not some only) of the Securities (the **Varied Securities**), so that in either case the aggregate nominal amount of the Exchanged Securities or Varied Securities (as the case may be) become or remain Qualifying Tier 1 Securities of the Issuer.

Any such exchange or variation requires prior approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Securityholders and shall be notified to them as soon as practicable thereafter.

## **6.10 Redemption for Regulatory Reasons**

Provided that the Redemption and Purchase Conditions are met, if at any time, a Regulatory Event has occurred and is continuing then the Issuer may, subject to having given:

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Securities, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption.

For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial non-qualification of the Securities as Tier 1 Own Funds as a result of a Write-Down.

A **Regulatory Event** is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by the Relevant Supervisory Authority or any court or authority entitled to do so of) the Applicable Regulations after the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), (i) the Issuer determines that the whole or any part of the Prevailing Principal Amount of the Securities is, or within the forthcoming period of six months will likely be, no longer capable of counting as Tier 1 Own Funds for the purposes of the Issuer on a consolidated basis, except where such non-qualification (A) is only as a result of any applicable limitation on the amount of such capital and (B) does not result from any replacement of or changes to Solvency II regarding the size of buckets of Own Funds Items, and/or (ii) in case the Applicable Regulations are supplemented or amended in relation to provisions specifically governing internationally active insurance groups (IAIG) and/or global systemically important insurers (G-SII), where appropriate and/or at the designation as such by the relevant supervisory authority as applicable to the Issuer, and where, following such supplement and/or amendments, the Prevailing Principal Amount of the Securities would likely not or no longer be recognised in full as Own Funds Items of the highest tier available for subordinated debt instruments after equity (regardless of the terminology used by Applicable Regulations so amended or supplemented), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

#### **6.11 Exchange or Variation for Regulatory Reasons**

If at any time, the Issuer determines that a Regulatory Event has occurred and is continuing, the Issuer may, instead of redeeming the Securities in the manner described above, on any Interest Payment Date, without the consent of the Securityholders, (i) exchange all (but not some only) of the Securities for new Securities (the **Exchanged Securities**), or (ii) vary the terms of all (but not some only) of the Securities (the **Varied Securities**), so that in either case the aggregate nominal amount of the Exchanged Securities or Varied Securities (as the case may be) constitutes Qualifying Tier 1 Securities of the Issuer.

Any such exchange or variation requires prior approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Securityholders and shall be notified to them as soon as practicable thereafter.

#### **6.12 Redemption for Rating Reasons**

Provided that the Redemption and Purchase Conditions are met, if at any time, the Issuer determines that a Ratings Methodology Event has occurred and is continuing or, as a result of a change in, or clarification to, the methodology of the Rating Agency (or in the interpretation by the Rating Agency of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer may, subject to having given:

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

redeem all (but not some only) of the Securities, at any time at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with

the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption.

### **6.13 Exchange or Variation for Rating Reasons**

If at any time, the Issuer determines that a Ratings Methodology Event has occurred and is continuing or, as a result of a change in, or clarification to, the methodology of the Rating Agency (or in the interpretation by the Rating Agency of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, the Issuer may, instead of redeeming the Securities in the manner described above, on any Interest Payment Date, without the consent of Securityholders, (i) exchange all (but not some only) of the Securities for Exchanged Securities, or (ii) vary the terms of all (but not some only) of the Securities, so that the Exchange Securities or Varied Securities (as the case may be) become or remain, Rating Agency Compliant Securities.

Any such exchange or variation requires prior approval of the Relevant Supervisory Authority. Such exchange or variation shall be binding on the Securityholders and shall be notified to them as soon as practicable thereafter.

### **6.14 Clean-up Redemption**

Provided that the Redemption and Purchase Conditions are met, the Issuer may at any time after the Issue Date, subject to having given

- (i) not less than ten (10) nor more than thirty (30) days' notice to the Securityholders in accordance with Condition 10 (*Notices*) (which notice shall (save as provided in Condition 6.19 (*Notices Final*) below) be irrevocable and shall specify the date fixed for redemption); and
- (ii) notice to the Fiscal Agent not less than three (3) days before the giving of the notice referred to in (i),

elect to redeem all (but not some only) of the Securities at their Prevailing Principal Amount together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date fixed for redemption if 75% (seventy-five per cent) or more of the Securities originally issued (including any Further Securities) has been purchased and cancelled at the time of such election.

### **6.15 Inapplicability Period**

Notwithstanding anything to the contrary in this Condition 6, the Issuer may waive, at any time and in its sole discretion and for whatever reason, its right to redeem, exchange or vary the Securities under any of Condition 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Exchange or Variation for Taxation Reasons*), 6.10 (*Redemption for Regulatory Reasons*), 6.11 (*Exchange or Variation for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*), 6.13 (*Exchange or Variation for Rating Reasons*) or 6.14 (*Clean-up Redemption*), in each case for a (definite or indefinite) period of time to be determined by the Issuer (the **Inapplicability Period**) by notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Securityholders.

Any notice so given shall specify the Inapplicability Period(s) during which the Issuer shall cease to have the right to redeem, exchange or vary the Securities under any of Condition 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility*

Event), 6.9 (*Exchange or Variation for Taxation Reasons*), 6.10 (*Redemption for Regulatory Reasons*), 6.11 (*Exchange or Variation for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*), 6.13 (*Exchange or Variation for Rating Reasons*) or 6.14 (*Clean-up Redemption*).

Any ongoing Inapplicability Period may be terminated by the Issuer at any time and in its sole discretion by notice to the Fiscal Agent and, in accordance with Condition 10 (*Notices*), the Securityholders.

#### **6.16 Preconditions to redemption, exchange or variation**

- (i) Prior to the publication of any notice of redemption, variation or exchange pursuant to Condition 6.7 (*Redemption following a Gross-Up Event*), 6.8 (*Redemption following a Tax Deductibility Event*), 6.9 (*Exchange or Variation for Taxation Reasons*), 6.10 (*Redemption for Regulatory Reasons*), 6.11 (*Exchange or Variation for Regulatory Reasons*), 6.12 (*Redemption for Rating Reasons*) or 6.13 (*Exchange or Variation for Rating Reasons*), the Issuer shall deliver to the Fiscal Agent a certificate signed by two (2) members of the Executive Board stating that, as the case may be, the Issuer is entitled to redeem, exchange or vary the Securities on the grounds that a Tax Deductibility Event, a Gross-Up Event, a Regulatory Event or a Ratings Methodology Event has occurred and is continuing as at the date of the certificate or, as the case may be (in the case of a Ratings Methodology Event), will occur within a period of six (6) months and that it would have been reasonable for the Issuer to conclude, judged at the Issue Date or, if applicable, the issue date of the last tranche of any Further Securities (whichever is the later), that such Tax Deductibility Event, Gross-Up Event, Regulatory Event or Ratings Methodology Event was unlikely to occur.
- (ii) The Issuer shall not be entitled to amend or otherwise vary the terms of the Securities or exchange the Securities unless:
  - (a) it has notified the Relevant Supervisory Authority in writing of its intention to do so; and
  - (b) the Regulatory Clearance Condition has been satisfied in respect of such proposed amendment, variation or exchange.

#### **6.17 Purchases**

The Issuer or any of its affiliated entities may at any time purchase Securities in any manner and at any price subject to the Redemption and Purchase Conditions being met prior to, and at the time of, such purchase. All Securities purchased by or on behalf of the Issuer or of its subsidiaries may be held, reissued, resold or, at the option of the Issuer and the relevant purchaser, surrendered for cancellation to the Fiscal Agent but whilst held may not be treated as outstanding for various purposes set out in the Agency Agreement.

#### **6.18 Cancellations**

All Securities redeemed or exchanged by the Issuer pursuant to this Condition 6, and all Securities purchased and surrendered for cancellation pursuant to Condition 6.17 (*Purchases*), will forthwith be cancelled. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

#### **6.19 Notices Final**

Subject and without prejudice to Conditions 6.2 (*Conditions to Redemption and Purchase*) and 6.4 (*Deferral of Redemption or Purchase*), any notice of redemption as is referred to in this



Condition 6 shall be irrevocable and on the redemption date specified in such notice the Issuer shall be bound to redeem, or as the case may be, vary or exchange, the Securities in accordance with the terms of the relevant Condition.

## **7. PRINCIPAL LOSS ABSORPTION**

### **7.1 Write-Down upon Trigger Event**

A **Trigger Event** shall be deemed to have occurred if, at any time, the Issuer determines that any of the following has occurred:

- (a) the amount of Own Funds Items eligible to cover the Solvency Capital Requirement of the Issuer determined under the Applicable Regulations is equal to or less than 75 per cent. of the Solvency Capital Requirement; or
- (b) the amount of Own Funds Items eligible to cover the Minimum Capital Requirement of the Issuer determined under the Applicable Regulations is equal to or less than the Minimum Capital Requirement; or
- (c) the amount of Own Funds Items eligible to cover the Solvency Capital Requirement of the Issuer has been equal to or less than the Solvency Capital Requirement for a continuous period of three months (commencing on the date on which non-compliance with such Solvency Capital Requirement was first observed with regard to any initial Write-Down and as provided in Condition 7.2 with regard to any further Write-Down).

If a Trigger Event pursuant to (a), (b) or (c) above has occurred, the Issuer shall inform the Relevant Supervisory Authority thereof and deliver a Write-Down Notice to the Securityholders and to Euronext Dublin in accordance with Condition 10 (*Notices*) as soon as practicable after such event.

### **7.2 Write-Down procedure**

If a Trigger Event occurs:

- (i) any interest which is accrued and unpaid up to (and including) the Write-Down Date (whether or not such interest has become due for payment) shall be automatically cancelled (it being specified that such cancellation shall not constitute a default or event of default of the Issuer for any purpose); and
- (ii) the Issuer shall promptly (and without the need for the consent of the Securityholders) write down the Securities by reducing the Prevailing Principal Amount by the Write-Down Amount (such action a **Write-Down** and **Written Down** being construed accordingly).

Any such Write-Down shall be applied in respect of each Security equally.

A Write-Down of the Securities shall not constitute a default or event of default in respect of the Securities or a breach of the Issuer's obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Securityholders to petition for the insolvency or dissolution of the Issuer or to take any other action.

Following a Write-Down, Securityholders will be automatically deemed to waive irrevocably their rights to receive, and no longer have any rights against the Issuer with respect to, any

principal amount by which the Securities have been Written-Down, save with respect to any amount subsequently reinstated pursuant to Condition 7.3 (*Discretionary Reinstatement*).

A Write-Down may occur on one or more occasions following each Write-Down Testing Date and each Security may be Written-Down on more than one occasion. Accordingly, if, after a partial Write-Down, a further Trigger Event pursuant to Condition 7.1(c) occurs at any Write-Down Testing Date, a further Write-Down shall be required, provided that no Trigger Event pursuant to Condition 7.1(a) or 7.1(b) has occurred but the SCR Ratio has deteriorated further and in any case only if and to the extent required by the Applicable Regulations that apply at the time of the Trigger Event.

To the extent that the Prevailing Principal Amount of the Securities has been Written-Down, interest shall accrue on such reduced Prevailing Principal Amount in accordance with these Conditions as from the relevant Write-Down Date.

In addition, if the write-down of, or, as the case may be, conversion of any Loss Absorbing Tier 1 Instrument of the Issuer is not, or by the relevant Write-Down Date will not be, effective:

- 1) the ineffectiveness of any such reduction or, as the case may be, conversion shall not prejudice the requirement to effect a reduction to the Prevailing Principal Amount pursuant to this Condition; and
- 2) the write-down of, or, as the case may be, conversion of any such Loss Absorbing Tier 1 Instrument which is not, or by the Write-Down Date will not be, effective shall not be taken into account in determining such reduction of the Prevailing Principal Amount.

Upon the occurrence of a Trigger Event, the Issuer may decide not to effect a Write-Down if:

- (i) a Trigger Event occurs pursuant to Condition 7.1(c); and
- (ii) no previous Trigger Events have occurred pursuant to Condition 7.1(a) or Condition 7.1(b); and
- (iii) the Relevant Supervisory Authority agrees exceptionally to waive a Write-Down on the basis of the following information: (A) projections provided to the Relevant Supervisory Authority by the Issuer when the Issuer submits the recovery plan required by Article 138(2) of the Solvency II Directive, that demonstrate that a Write-Down in that case would be very likely to give rise to a tax liability that would have a significant adverse effect on the Issuer's solvency position and (B) a certificate issued by an auditor certifying that all of the assumptions used in the projections referred to in item (A) above are realistic.

### **7.3 Discretionary Reinstatement**

Following any reduction of the Prevailing Principal Amount pursuant to this Condition 7 (*Principal Loss Absorption*), the Issuer may to the extent permitted by the Applicable Regulations that apply at the relevant time and provided that this Condition 7.3 would not cause the occurrence of a Regulatory Event, at its full discretion, increase the Prevailing Principal Amount of the Securities (a **Discretionary Reinstatement**) on one or more occasions on any date and in any amount that it determines in its discretion (either to the Initial Principal Amount or to any lower amount) provided that:

- (A) the Issuer has restored compliance with the Solvency Capital Requirement and any Discretionary Reinstatement would not cause a Trigger Event to occur or the Solvency Condition to be breached;
- (B) the Discretionary Reinstatement is not activated by reference to Own Funds Items issued or increased in order to restore compliance with the Solvency Capital Requirement of the Issuer;
- (C) the Discretionary Reinstatement occurs only (i) on the basis of Net Profits (a) that contribute to the Issuer's Distributable Items made subsequent to the restoration of compliance with the Solvency Capital Requirement of the Issuer and (b) as adjusted to give due consideration to the resulting change in Own Funds Items of the Issuer and provided that the Issuer's Own Funds Items will not be lower as a result of the Discretionary Reinstatement than the Issuer's Own Funds Items would be on the same date if the equivalent amount of Net Profits were allocated to retained earnings of the Issuer and (ii) in a manner that does not undermine the loss absorbency intended by Article 71(5) of the Solvency II Regulation and does not hinder recapitalisation as required by Article 71(1)(d) of the Solvency II Regulation;
- (D) the Issuer shall take such decision relating to a Discretionary Reinstatement with due consideration to the overall financial and/or solvency condition of the Issuer (including, but not limited to, the Issuer's dividend policy and capital adequacy policy in effect at the time and its most recent medium term capital management plan incorporating relevant stress scenarios) in accordance with the Applicable Regulations at such time;
- (E) this will not result in the Prevailing Principal Amount of the Securities being greater than the Initial Principal Amount; and
- (F) any Discretionary Reinstatement will be made on a *pro rata* basis among other Loss Absorbing Tier 1 Instruments of the Issuer that have been subject to a temporary write-down and only to the extent that this does not worsen the SCR Ratio of the Issuer.

A Discretionary Reinstatement may occur on one or more occasions until the Prevailing Principal Amount of the Securities has been reinstated to the Initial Principal Amount. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

Any Discretionary Reinstatement shall be applied in respect of each Security equally.

The Issuer shall inform the Relevant Supervisory Authority of any Discretionary Reinstatement and Notice of any Discretionary Reinstatement shall be given to the Securityholders and to Euronext Dublin in accordance with Condition 10 (*Notices*) as soon as possible and no later than five Business Days prior to the date on which such Discretionary Reinstatement becomes effective.

## **8. TAXATION**

### **8.1 Payment without withholding**

All payments in respect of the Securities by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the

Netherlands or any political subdivision thereof unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will pay such additional amounts (**Additional Amounts**) in respect of Interest Payments but not in respect of any payments of principal as may be necessary in order that the net amounts received by the Securityholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Securities or Coupons, as the case may be, in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Security or Coupon:

- (a) the Securityholder of which is liable to the Taxes in respect of the Security or Coupon by reason of his having some connection with the Netherlands other than the mere holding of the Security or Coupon; or
- (b) surrendered for payment (where surrender is required) in the Netherlands; or
- (c) in circumstances where such withholding or deduction would not be required if the Securityholder or any person acting on his behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to the relevant tax authority upon the making of which the Securityholder would have been able to avoid such withholding or deduction; or
- (d) surrendered for payment (where surrender is required) more than thirty (30) days after the Relevant Date except to the extent that a Securityholder would have been entitled to Additional Amounts on surrendering the same for payment on the last day of the period of thirty (30) days assuming (whether or not such is in fact the case) that day to have been a Business Day; or
- (e) where a withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (**FATCA Withholding**) as a result of a Securityholder, Couponholder, beneficial owner or an intermediary that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay Additional Amounts or otherwise indemnify an investor for any such FATCA Withholding deducted or withheld by the Issuer, any Paying Agent or any other party.

As used herein, the **Relevant Date** means the date on which the payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with Condition 10 (*Notices*).

## 8.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

## **9. NO EVENTS OF DEFAULT**

There are no events of default in respect of the Securities. However, any Securityholder may give written notice to the Fiscal Agent at its specified office that its Security is immediately due and payable at its Prevailing Principal Amount, together with accrued but not cancelled interest thereon, if any, to the date of payment, in the event of a liquidation of the Issuer. Liquidation may occur as a result of the winding-up of the Issuer (*ontbinding en vereffening*) or bankruptcy (*faillissement*) of the Issuer.

## **10. NOTICES**

All notices regarding the Securities shall be published (i) in a leading English language daily newspaper of general circulation in London, which is expected to be the *Financial Times* and (ii) so long as the Securities are listed on the exchange regulated market of Euronext Dublin and the rules of Euronext Dublin so require, also in a leading newspaper having general circulation in Dublin, which is expected to be the *Irish Times*.

Until such time as any definitive Securities are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the global Security is held in its entirety on behalf of the Securities Settlement System, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to the Securities Settlement System for communication by it to the Securityholders, provided that for so long as any Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will also be published in the manner required by those rules. Any such notice shall be deemed to have been given to the Securityholders on the day on which the said notice was given to the Securities Settlement System.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any Security in definitive form) with the relative Security or Securities, with the Fiscal Agent. Whilst any of the Securities are represented by a global Security, such notice may be given by any Securityholder to the Fiscal Agent via the Securities Settlement System in such manner as the Fiscal Agent and the Securities Settlement System may approve for this purpose.

## **11. PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of Securities will become void unless presented for payment within a period of five (5) years from the appropriate relevant due date for payment thereof.

Any Coupon sheet issued on exchange of a Talon shall not include any Coupon which payment claim would be void pursuant to this Condition or Condition 5.5 or any Talon which would be void pursuant to Condition 5.5 (*Deduction for unmatured Coupons*).

## **12. MEETINGS OF SECURITYHOLDERS AND MODIFICATION**

### **12.1 Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform, or by way of a hybrid meeting) of the Securityholders to consider matters relating to the Securities, including the sanctioning by an Extraordinary Resolution of a modification of the Securities, the Coupons or certain provisions

of the Agency Agreement. Such a meeting may be convened by the Issuer or Securityholders holding not less than 5 per cent. in Prevailing Principal Amount outstanding at such time. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in Prevailing Principal Amount outstanding at such time, or at any adjourned meeting one or more persons being or representing Securityholders whatever the Prevailing Principal Amount outstanding at such time so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities or Coupons (including modifying any date for payment of principal or interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Securities or altering the currency of payment of the Securities or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in Prevailing Principal Amount outstanding at such time. An Extraordinary Resolution passed at any meeting of Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting, and on all Couponholders.

Convening notices shall be made in accordance with Condition 10 (*Notices*).

The Agency Agreement provides that, if authorised by the Issuer, a resolution in writing signed by or on behalf of the Securityholders of not less than 75 per cent. in Prevailing Principal Amount outstanding at such time shall for all purposes be as valid and effective as an extraordinary resolution passed at a meeting of Securityholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Securityholders through the Securities Settlement System. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

Resolutions of Securityholders will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Relevant Supervisory Authority.

## **12.2 Modification**

Subject to obtaining the permission therefor from the Relevant Supervisory Authority if so required, the Fiscal Agent and the Issuer may agree, without the consent of the Securityholders or Couponholders, to:

- (a) any modification (except as mentioned in Condition 4.2 above) of the Agency Agreement which, in the sole opinion of the Issuer, is not materially prejudicial to the interests of the Securityholders and Couponholders; or
- (b) any modification of the Securities, the Coupons or the Agency Agreement which is, in the sole opinion of the Issuer (acting reasonably), of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Securityholders and the Couponholders and any such modification shall be notified to the Securityholders in accordance with Condition 10 (*Notices*) as soon as practicable thereafter.

## **13. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Securityholders create and issue further securities, having terms and conditions the same as those of the Securities, except for

the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Securities (**Further Securities**).

#### 14. **ACKNOWLEDGEMENT OF BAIL-IN AND WRITE-DOWN OR CONVERSION POWERS**

By the acquisition of the Securities, each Securityholder (which, for the purposes of this Condition 14, includes any current or future holder of a beneficial interest in the Securities), Couponholder and beneficial holder of Coupons, acknowledges, accepts, consents and agrees:

- (a) to be bound by the effect of the exercise of any Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of the Amounts Due, including on a permanent basis;
  - (ii) the conversion in whole or in part, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Securityholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities, in which case the Securityholder agrees to accept in lieu of its rights under the Securities any such shares, other securities or other obligations of the Issuer or another person;
  - (iii) the cancellation of the Securities;
  - (iv) the amendment or alteration of the term of the Securities or amendment of the amount of interest payable on the Securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and/or
  - (v) any other tools and powers provided for in the Bail-in Power,
- (b) that the terms of the Securities are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in Power by the Relevant Resolution Authority.

For these purposes, the **Amounts Due** are the Prevailing Principal Amount of the Securities, and any accrued and unpaid interest on the Securities that has not been previously cancelled or otherwise is no longer due.

For these purposes, the **Bail-in Power** is any power existing from time to time under any laws, regulations, rules or requirements relating to the recovery and resolution of insurance and reinsurance undertakings in effect in the Netherlands and which is in any such case applicable to the Issuer, the Group and/or the Securities, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the IRRD and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as applicable, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of an insurance or reinsurance undertaking (or an affiliate thereof) can be reduced (in whole or in part), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of an insurance or reinsurance undertaking (or an affiliate thereof) can be converted into shares, other securities, or other obligations, whether in connection with the implementation of a bail-in power following placement in resolution or otherwise.

For these purposes, **IRR**D means the directive on the recovery and resolution of insurance undertakings (proposal for a Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2009/138/EC, (EU) 2017/1132 and Regulations (EU) No 1094/2010 and (EU) No 648/2012) adopted by the Council on 5 November 2024 and published in the EU's Official Journal on 8 January 2025 and entered into force on 28 January 2025.

A reference to the **Relevant Resolution Authority** is to any insurance resolution authority as determined by the IRRD or any other authority designated as such under the laws and regulations in effect or which will be in effect in the Netherlands applicable to the Issuer or other members of the Group. As at the Issue Date, the Relevant Resolution Authority is the Dutch Central Bank (*De Nederlandsche Bank N.V.* or **DNB**).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in the Netherlands and the European Union applicable to the Issuer or other members of the Group.

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Securities, the Issuer will provide a written notice to the Securityholders in accordance with Condition 10 (*Notices*) as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Fiscal Agent for informational purposes, although the Fiscal Agent shall not be required to send such notice to Securityholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects of its exercise on the Securities.

Neither a cancellation of the Securities, a reduction, in whole or in part, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Securities will constitute a default or an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Securityholder to any remedies (including equitable remedies) which are hereby expressly waived.

If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless the Fiscal Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Securities pursuant to any Bail-in Power will be made on a pro-rata basis.

The matters set forth in this Condition 14 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any Securityholder.

No expenses necessary for the procedures under this Condition 14, including, but not limited to, those incurred by the Issuer and the Fiscal Agent, shall be borne by any Securityholder.

## 15. GOVERNING LAW AND JURISDICTION

The Securities, and all non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with the laws of the Netherlands.



Any action against the Issuer in connection with the Securities will be submitted to the exclusive jurisdiction of the competent courts in Amsterdam, the Netherlands.

## FORM OF THE SECURITIES

The Securities will initially be in the form of the Temporary Global Security which will be deposited on the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Securities will be issued in new global note (NGN) form. On 13 June 2006, the European Central Bank (the **ECB**) announced that Securities in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the **Eurosystem**), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Securities in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Securities are not intended to be held in a manner which would allow Eurosystem eligibility - that is, in a manner which would allow the Securities to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. Whilst the Securities are not intended to be held in a manner which would allow Eurosystem eligibility at the date of this Offering Memorandum, should the Eurosystem eligibility criteria be amended in the future such that the Securities are capable of meeting them the Securities may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Whilst any Security is represented by the Temporary Global Security and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear or Clearstream, Luxembourg and Euroclear or Clearstream, Luxembourg have given a like certification (based on the certifications they have received) to the Agent.

On and after the date (the **Exchange Date**) which is not less than 40 days after the Issue Date, interests in the Temporary Global Security will be exchangeable (free of charge), upon request as described therein, for interests in the Permanent Global Security against certification of beneficial ownership as described in the second sentence of the preceding paragraph. The holder of the Temporary Global Security will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Security for an interest in the Permanent Global Security is improperly withheld or refused.

So long as the Securities are represented by a Temporary Global Security or a Permanent Global Security and the relevant clearing system(s) so permit, the Securities will be tradable only in the minimum authorised denomination of EUR 200,000 and higher integral multiples of EUR 1000, notwithstanding that no Definitive Securities will be issued with a denomination above EUR 399,000.

The Permanent Global Security will be exchangeable (free of charge), in whole but not in part, for security printed Definitive Securities with interest coupons or coupon sheets and talons attached. Such exchange may be made only upon the occurrence of an Exchange Event and if permitted by applicable law. An **Exchange Event** means the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available. The Issuer will promptly give notice to

Securityholders in accordance with Condition 10 (*Notices*) upon the occurrence of an Exchange Event. In the event of the occurrence of an Exchange Event any person who is at any time shown as accountholder in the records of Euroclear and/or Clearstream, Luxembourg as persons holding a principal amount of interest in the Permanent Global Security may give notice to the Agent requesting exchange. Any such exchange shall occur no later than 15 days after the date on which the relevant notice is received by the Agent. The Temporary Global Security, the Permanent Global Security and Definitive Securities will be issued pursuant to the Agency Agreement.

Payments of principal and interest (if any) on a Permanent Global Security will be made through Euroclear or Clearstream, Luxembourg without any requirement for certification. Definitive Securities will be in the standard euromarket form. Definitive Securities and any Global Security will be to bearer.

A Security may be accelerated by the holder thereof in limited circumstances described in Condition 9 (*No Events of Default*). In such circumstances, where any Security is still represented by a Global Security and a holder of such Security so represented and credited to his account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Security, unless within a period of 15 days payment has been made in full of the amount due in accordance with the terms of such Global Security, holders of interests in such Global Security credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear or Clearstream, Luxembourg on and subject to the terms of the relevant Global Security.

While all the Securities are represented by one or more Global Securities and such Global Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, any Write-Down or Discretionary Reinstatement of the Prevailing Principal Amount of the Securities shall be treated on a *pro rata* basis which, for the avoidance of doubt, shall be effected as a reduction or increase, as the case may be, to the pool factor.

## **USE OF PROCEEDS**

The net proceeds of the Securities will be applied for general corporate purposes of the Group (which may include, without limitation, the refinancing of existing debt, including callable capital securities).

## DESCRIPTION OF THE ISSUER

### General

The Issuer is a public limited company (*naamloze vennootschap*) organised under Dutch law and incorporated on 29 March 2011 under the name ING Insurance Topholding N.V. On 28 February 2014, the Issuer entered into a legal merger with its wholly owned subsidiary ING Verzekeringen N.V. As a result of this merger, ING Verzekeringen N.V. ceased to exist by operation of law and the Issuer acquired all assets and liabilities of ING Verzekeringen N.V. under universal title of succession. On 1 March 2014, the legal merger became effective and the Issuer was renamed NN Group N.V.

The Issuer has its corporate seat in Amsterdam, the Netherlands, and its registered office at Schenkkade 65, 2595 AS The Hague, the Netherlands, telephone number +31 (0) 70 513 03 03. It is registered with the trade register held by the Chamber of Commerce under number 52387534. According to Article 3 of the Articles of Association, its objectives are to participate in, conduct the management of, finance and furnish personal or real security for the obligations of and provide services to other enterprises and institutions, of whatever kind, but in particular enterprises and institutions active in the insurance business, the credit business, investments and/or other financial services, as well as to perform all that which is related or may be conducive to the foregoing.

The Issuer is a holding company with no material, direct business operations. The Issuer conducts business internationally through its operating subsidiaries. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Issuer is dependent on dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends and payment of principal and interest on the Securities. The Issuer is therefore dependent on its subsidiaries. For a detailed list of subsidiaries of the Issuer, please refer to the website NN Group - Who we are ([nn-group.com](http://nn-group.com)) and/or pages 257-258 of the 2023 Annual Report.

### Share capital

The Issuer's authorised share capital amounts to EUR 168,000,000, divided into 700,000,000 ordinary shares and 700,000,000 preference shares, each with a nominal value of EUR 0.12. On the date of this Offering Memorandum, the Issuer's issued capital amounts to EUR 32,280,000, consisting of 269,000,000 ordinary shares, with a nominal value of EUR 0.12 each. On the date of this Offering Memorandum, the Issuer holds 1,570,249 ordinary shares, all or part of which it intends to cancel in due course. The rights of the shareholders are described in the Articles of Association.

A foundation, Stichting Continuïteit NN Group, has been granted a call option by the Issuer. On each exercise of the call option, Stichting Continuïteit NN Group is entitled to acquire from the Issuer up to a maximum corresponding with 100 per cent. of the issued share capital of the Issuer in the form of ordinary shares, as outstanding immediately prior to the exercise of the call option, less one share, from which maximum any Preference Shares already placed with Stichting Continuïteit NN Group at the time of the exercise of the call option shall be deducted. Stichting Continuïteit NN Group may exercise its option right repeatedly, each time up to the aforementioned maximum.

On the date of this Offering Memorandum, major shareholders are BlackRock, Inc., Norges Bank, Amundi Asset Management and Thornburg Investment Management. Based on Dutch legislation, the holder of a substantial holding or gross short position that equals or exceeds 3 per cent. of the issued capital of an issuer, should notify the AFM. These notifications are subsequently included in a public register kept by the AFM.

## History

NN's history dates back to 1845. In that year Assurantie Maatschappij tegen Brandschade N.V., later renamed De Nederlanden van 1845 N.V. (**De Nederlanden**), commenced operations. De Nederlanden specialised in fire insurance. Shortly after its foundation, De Nederlanden expanded abroad and, through multiple acquisitions, became an all-lines insurance company in 1925. World War II made it almost impossible for De Nederlanden to operate its business. After the war, De Nederlanden and other insurance companies played an important role in the economic recovery and reconstruction of the Netherlands by providing financing. During the post-war years De Nederlanden expanded quickly due to economic growth in the Netherlands and through acquisitions.

The Nationale Levensverzekering-Bank N.V. (**Nationale**) also prospered during the post-war years. Nationale was established in 1863 and specialised in life insurance with a focus on the Dutch domestic market. In 1916, Nationale added non-life insurance to its product portfolio. In 1932, Nationale and De Nederlanden entered into co-operation with respect to group life insurance. Like De Nederlanden, Nationale's business was significantly affected by World War II and was also instrumental in the post-war reconstruction. In 1956, Nationale expanded its non-life portfolio by acquiring insurance company Tiel-Utrecht. This acquisition made Nationale, for many years, the largest life insurer, the second largest non-life insurer, and as a result the largest insurance company overall in the Netherlands at that time.

In 1963, De Nederlanden and Nationale merged and formed Nationale-Nederlanden. This merger was in line with increased consolidation in the insurance industry and enabled the companies to remain competitive under changing market circumstances. From the 1960s to the 1980s, Nationale-Nederlanden extensively pursued acquisitions throughout the world, including major acquisitions in the United States, and started new operations in Europe and Asia.

In 1991, Nationale-Nederlanden merged with NMB Postbank Groep to form Internationale Nederlanden Groep (ING) after the legal restrictions on mergers between insurers and banks were lifted in the Netherlands in 1990. Since 1991, ING has developed from being a Dutch company with some international business to a multinational with Dutch roots. This was achieved through a mixture of organic growth as well as various large acquisitions. All of Nationale-Nederlanden's businesses in Europe and Japan were greenfield operations (except for Turkey and Belgium). These businesses were set up in emerging markets such as Poland, the Czech Republic and Hungary, as well as in developed markets such as Luxembourg and Japan. In the United States, Nationale-Nederlanden acquired the life operations of U.S. insurance companies ReliaStar and Aetna in 2000. These acquisitions also substantially increased the size and scope of ING's insurance activities in developing markets, making ING the largest international insurer in Latin America and the second largest international insurer in Asia.

In 2008 and 2009, as a consequence of the financial crisis, ING Group, like other major financial institutions in the Netherlands, received aid from the Dutch State. As a condition to receiving approval from the EC for such state aid, ING Group was required to develop and submit a restructuring plan to the EC, comprising, inter alia, the divestment of the insurance and investment management business, including the Issuer and its subsidiaries. The 2009 Restructuring Plan was approved by the EC in November 2009. Following the 2009 Restructuring Plan, the insurance and asset management businesses of ING (including NN) were operationally separated from ING as of 31 December 2010.

In November 2012, ING Group and the Dutch State reached an agreement with the EC on certain amendments to the 2009 Restructuring Plan which were set out in the 2012 Restructuring Plan. The amendments extended the time horizon, increased the flexibility for the completion of divestments and adjusted other commitments set forth in the 2009 Restructuring Plan, in light of market conditions, the economic climate and more stringent regulation.

Pursuant to the 2009 and 2012 Restructuring Plans, ING divested a number of businesses around the world from 2011 to 2013, including divestments of insurance and investment management businesses in the United States, Latin America and Asia/Pacific (other than Japan).

In May 2013, ING Group divested approximately 29 per cent. of its shareholding (which was indirectly held through NN) in ING U.S., its U.S.-based retirement, investment and insurance business, through an initial public offering in accordance with the 2012 Restructuring Plan. In preparation for a stand-alone future of NN, the interest in ING U.S. held by NN was transferred to ING Group as at 30 September 2013.

In July 2013, part of the operations of WUB, comprising mainly specific mortgage, savings, investments and consumer credit activities, were transferred to NN Bank, in accordance with the 2012 Restructuring Plan.

In November 2013, ING Group and the Dutch State reached an agreement with the EC on certain amendments to the 2012 Restructuring Plan which were set out in the 2013 Restructuring Plan. The 2013 Restructuring Plan accelerated the divestment timeline for NN by two years, as a result of which ING Group was required to divest more than 50 per cent. of its shareholding in the Issuer before 31 December 2015 and was required to divest the remaining interest before 31 December 2016. Pursuant to the 2013 Restructuring Plan, the Japan Life and Japan Closed Block VA businesses were permitted to be divested in line with the divestment timeline for NN and were thus permitted to remain part of NN.

On 2 July 2014, ING Group offered part of its shares in the share capital of NN Group to the public and the shares in the capital of NN Group were listed on Euronext Amsterdam. After settlement of the offering on 7 July 2014, ING Group still held a majority of the shares in the share capital of NN Group. On 19 April 2016 ING Group completed its divestment of NN Group.

On 5 October 2016, the Issuer announced that it intended to make an all cash offer for all the issued and outstanding ordinary shares of Delta Lloyd. On 23 December 2016, the Issuer and Delta Lloyd jointly announced that they had reached a conditional agreement on a recommended all cash public offer for all the issued and outstanding ordinary shares of Delta Lloyd. On 26 April 2017, NN announced that it had acquired 93.3% of the issued and outstanding ordinary shares of Delta Lloyd, entitling NN to pursue a triangular legal merger of Delta Lloyd into NN Bidco, a direct wholly-owned subsidiary of the Issuer. On 31 May 2017, the Issuer announced that it had executed the triangular legal merger of Delta Lloyd into NN Bidco, whereby remaining holders of issued and outstanding ordinary shares in the capital of Delta Lloyd received listed ordinary shares in the capital of the Issuer. As part of the legal restructuring process, the Issuer and NN Bidco executed the legal merger of NN Bidco into the Issuer, which became effective on 31 December 2017. As a result of this, NN Bidco ceased to exist and the Issuer assumed all assets and liabilities of NN Bidco.

On 11 April 2022, the Issuer announced the completion of the sale of its asset manager NN Investment Partners (NN IP) to Goldman Sachs Group, Inc.

## **Business**

### **Overview**

NN is an international financial services company active in 10 countries, with a strong presence in Europe and Japan. NN's insurance business is active in mature markets in Western Europe and Japan, as well as growth markets in CEE. NN offers a comprehensive range of retirement services, pensions, insurance and banking products to retail, SME and large corporates.

The product offering and the type of customers serviced within each country varies. See “*Description of the Issuer — Business Segments*” below for further information on NN’s specific product offerings and the type of customers serviced in each relevant jurisdiction. NN utilises a multi-channel approach to distribute its products and service its customers, allowing it to tailor the marketing and distribution of its products across different markets and customer segments. NN commits significant resources throughout its businesses to: (a) ensure strong partnerships with brokers, independent agents and banks, including ING Bank; (b) strengthen its tied agents network in most of the countries in which it operates outside of the Netherlands; and (c) build up its direct channel capabilities.

## **Business Segments**

### ***Netherlands Life***

In 2023, the Netherlands Life segment recorded EUR 3,394 million GWP consisting of EUR 2,607 million in group life insurance and EUR 788 million in individual life insurance, representing 20 per cent and 6 per cent, respectively, of NN’s total Gross premiums written in 2023, and EUR 332 million of new business (measured by APE), representing 27 per cent. of NN’s total APE in 2023. In 2023, the Netherlands Life segment reported OCG of EUR 1,025 million, representing 49% of NN’s total OCG excluding the segment Other (EUR 2,102 million). In 2023, the Netherlands Life segment had an operating result of EUR 1,390 million, representing 55 per cent of NN’s total operating result. As at 31 December 2023, the equity allocated to the Netherlands Life segment was EUR 12,291 million.

In February 2022 NN Group, ABN AMRO Bank N.V. (“ABN AMRO Bank”) and their joint venture Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. (“AAV”) announced that they had reached an agreement to sell the life insurance subsidiary of AAV to Nationale-Nederlanden Levensverzekering Maatschappij N.V. (“NN Life”). This transaction was completed in July 2022.

AAV is a joint venture between NN Group (51%) and ABN AMRO Bank (49%). The life insurance subsidiary of AAV was already consolidated by NN Group and, therefore, this transaction did not have significant impact on NN Group. On 31 March 2023, NN Life and ABN AMRO Levensverzekering N.V. (“ABN AMRO Life”) entered into a legal merger which became effective as per 1 April 2023. As a result of this legal merger, ABN AMRO Life ceased to exist as per 1 April 2023 and NN Life assumed all assets and liabilities of ABN AMRO Life under universal title of succession (algemene titel) as per that same date.

The Netherlands Life segment includes NN Life, AZL, BeFrank as well as products sold via ABN AMRO Life and direct (OHRA) distribution channels. AZL provides pension administration and management services to primarily mid-sized and large company and industry-wide pension funds. BeFrank is a premium pension institution that provides innovative group pensions at relatively low cost.

### ***Products***

The life insurance products offered by NN in the Netherlands range from standardised insurance products to tailor-made and sophisticated insurance products with a particular focus on group pensions. Products are offered to SMEs, large corporate clients and their employees, and retail customers. Life insurance products can be characterised as either traditional policies or unit-linked policies. Traditional policies are those products that have benefits primarily based on a guaranteed interest rate, sometimes combined with profit-sharing to the extent that certain thresholds are met. Thus, under traditional policies, NN bears the investment risk. Unit-linked policies have an investment basis and are mostly flexible in options and guarantees. Under pure unit-linked policies, the investment risk is borne by the policyholder. Unit-linked policies can also guarantee a minimum investment return or minimum accumulation to the policyholder at maturity, including death benefit. Further, NN provides hybrid



forms of group pension products that combine elements of traditional and unit-linked life insurances within a single contract.

Life insurance products can also be characterised as general account or separate account products. For general account products, the underlying assets are invested in NN's general account and thus not attributable to a specific policyholder or liability. Within the general account, NN bears the investment risks related to assets backing the liability obligations. For separate account products, NN establishes and maintains a separate investment account to which funds are allocated in line with the relevant policy. Such investment account is thus separated from NN's general account and the investment risk is borne by the policyholder, although guarantees apply.

### ***Netherlands Non-life***

In 2023, the Netherlands Non-life segment recorded EUR 3,843 million Gross premiums written, representing 29 per cent. of NN's total Gross premiums written in 2023. In 2023, the Netherlands Non-life segment reported OCG of EUR 416 million, representing 20% of NN's total OCG excluding the segment Other (EUR 2,102 million). In 2023, the Netherlands Non-life segment had an operating result of EUR 364 million (including health and broker business), representing 14 per cent of NN's total operating result. As at 31 December 2023, the equity allocated to the Netherlands Non-life segment was EUR 1,484 million. As at 31 December 2023, the Netherlands Non-life segment had EUR 6,302 million of insurance liabilities.

NN offers a broad range of non-life products under multiple brands: NN, ING, ABN AMRO, OHRA and Movir. Under the Movir brand, NN offers individual disability insurance to specific target groups amongst medical and business professionals. NN Non-Life insurance companies have a particular focus on underwriting excellence and claims management and prevention. NN also acts as a distributor of certain health insurance products underwritten by CZ.

On 15 October 2021, NN Group announced the completion of its acquisition of a 70% stake in Dutch insurance broker and service provider Heinenoord, as per 14 October 2021. The completion of the transaction follows the fulfilment of customary closing conditions, including receipt of all necessary regulatory approvals.

### ***Products***

NN offers a broad range of non-life products to retail, self-employed, SME, and large corporate clients and their employees, in stand-alone as well as bundled form, with a focus on offering insurance bundles. NN's non-life products can be categorised as follows: (a) income/accident, comprising disability and accident (D&A) and travel insurance, and (b) property and casualty (P&C), comprising fire, motor and transport insurance and other insurances.

### ***Insurance Europe***

NN's Insurance Europe business comprises NN's business in Belgium, Poland, Spain, Greece, Hungary, Romania, Czech Republic and Slovakia. The countries in which NN is active are a mixture of mature and growth markets. In 2023, the Insurance Europe segment recorded EUR 3,460 million Gross premiums written, representing 26 per cent of NN's total Gross premiums written In 2023, and EUR 772 million of new business (measured by APE), representing 63 per cent. of NN's total APE in 2023. In 2023, the Insurance Europe segment reported OCG of EUR 422 million, representing 20% of NN's total OCG excluding the segment Other (EUR 2,102 million). In 2023, the Insurance Europe segment had an operating result of EUR 468 million, representing 19 per cent of NN's total operating result. As at 31 December 2023, the equity allocated to the Insurance Europe segment was EUR 3,722 million.

On 10 January 2025, NN Group announced the completion of the sale of its Turkish operations to Zurich Türkiye. The completion of the transaction follows the fulfilment of the customary closing conditions, including receipt of all necessary regulatory approvals. The agreement on the sale of NN Hayat ve Emeklilik was announced on 25 September 2024.

### *Products*

Through Insurance Europe NN offers life insurance (in all countries), pensions (in Belgium, Czech Republic, Slovakia, Poland, Romania and Spain), non-life insurance (in Belgium via NN Non-Life, Spain, Hungary, Romania and Poland), and health insurance (in Greece and Romania). Products are offered to retail, corporate, self-employed and SME customers.

### ***Japan Life***

NN Japan commenced operations in 1986. NN Japan is one of the larger players in SME Life insurance products. In 2023, the Japan Life segment recorded EUR 2,464 million Gross premiums written, representing 19 per cent of NN's total Gross premiums written in 2023, and EUR 124 million of new business (measured by APE), representing 10 per cent of NN's total APE in 2023. In 2023, the Japan Life segment reported OCG of EUR 107 million, representing 5% of NN's total OCG excluding the segment Other (EUR 2,102 million). In 2023, the Japan Life segment had an operating result of EUR 197 million, representing 8 per cent of NN's total operating result. As at 31 December 2023, the equity allocated to the Japan Life segment was EUR 1,216 million.

### *Products*

NN Japan primarily offers a range of recurring premium SME Life insurance products to SMEs and owners and employees of SMEs. Since its initial SME Life insurance product launch in 1991, NN Japan has consistently innovated and introduced several products to the Japanese SME Life insurance market, such as increasing term life insurance, insurance coverage in cases of cancer and term life insurance with long-term care benefits.

### *SME Life insurance products*

SME Life insurance products are traditional life insurance policies that a company, typically an SME, takes out on the lives of executives or employees, whereby the company is both the policyholder and the beneficiary of the policy. SME Life insurance products are designed to address the protection, savings and retirement preparation needs of SMEs and owners and employees of SMEs.

### ***Banking***

As at 31 December 2023, the total assets of the banking business were EUR 25,016 million, of which the banking business' mortgage loan portfolio was EUR 22,822 million. As at 31 December 2023, the banking business' savings and deposits portfolio was EUR 16,465 million. In 2023, the banking business reported OCG of EUR 133 million, representing 6% of NN's total OCG excluding the segment Other (EUR 2,102 million). In 2023, the banking business had an operating result of EUR 226 million, representing 9 per cent of NN's total operating result. As at 31 December 2023, the equity allocated to the banking business was EUR 919 million.

### *Products*

NN Bank offers a range of banking products to mainly retail customers in the Netherlands. In addition, insurance products from NN Group's insurance business are sold via the bank to Dutch retail customers. NN Bank's banking product offering, with mortgages and savings as its key products, includes the following: mortgages, (bank annuity) savings products, retail investments and bancassurance. With the

further development of payment services to retail clients, NN Bank is taking a next step in building a digital retail bank. From March 2023, NN Bank no longer offered consumer credit loans due to changed market conditions. In April 2024 NN Bank has sold the vast majority of its closed book consumer credit loans portfolio.

Furthermore, NN Bank services mortgage portfolios with NN-labelled mortgage loans for NN business units and third parties, which results in fee income for NN Bank.

### *Other*

This segment comprises the reinsurance business, the holding result and other results. The Other segment had an operating result of EUR -117 million in 2023. As at 31 December 2023, the equity allocated to the Other segment was EUR -8 million. The allocated equity of the Other segment mainly comprises the allocated equity of the reinsurance business EUR 710 million, as well as the cash capital position at the holding company (EUR 971 million), subordinated loans provided to NN Life, NN Non-Life, NN Belgium and NN Bank (EUR 2,426 million) and other net assets of the holding company and other legacy and corporate entities (EUR 1,176 million, an amount of EUR 1,049 million thereof consisting of the acquisition intangibles and goodwill mainly as a result of the acquisition of Delta Lloyd, Heinenoord, MetLife Greece and Poland) minus the financial leverage of the holding company NN Group (EUR 5,291 million).

### **NN Re**

NN Re is a reinsurance company within the Group located in the Netherlands. NN Re primarily offers reinsurance to the Group's businesses. As reinsurer, NN Re is the only business unit within the Group licensed to reinsure both life and non-life risks, hence providing extra diversification opportunities. Within the Solvency II environment, NN Re has been playing an important role in optimising the Group's risk management activities mostly regarding the non-life risks and its capital allocation. NN Re currently reinsures, amongst others, the minimum guarantee obligations of the Variable Annuity ("VA") portfolios of the Group's European business units as well as the Japan Closed Block VA and hedges most of the underlying market risks from the reinsured guarantees. Reinsurance has also been provided to the Czech Branch of NN Life, NN Non-life and several NN business units in international business segments, most notably NN Japan. NN Re manages the risks and the run-off of the former Delta Lloyd Non-Life's external inward reinsurance book. NN Re (Netherlands) N.V. has an A+ financial strength rating from S&P.

In 2023, the reinsurance business in the Other segment had an operating result of EUR 55 million. As at 31 December 2023, the equity allocated to the reinsurance business of NN Re reported under the Other segment was EUR 710 million.

### *Products*

NN Re's core product is reinsurance. Reinsurance enables NN's insurance businesses to mitigate their risk, to reduce their claims/earnings volatility, and in line with their risk mitigation, also to relieve their capital requirements to increase their underwriting capacity. NN Re aims to apply intra-group risk transfer to enhance NN's overall capital efficiency through improved risk diversification. NN Re also supports NN's insurance businesses in pricing, managing risk and developing new products.

NN Re offers reinsurance contracts for life as well as non-life insurance. For non-life insurance, the in-force business mostly relates to the Netherlands, Belgium, Poland and Spain. For life insurance, NN Re's portfolio is spread over all countries in which NN is active.

The largest customer of NN Re is NN Japan. NN Re reinsures the minimum guarantee obligations of the closed block VA portfolio of NN Japan, and material parts of the SME Life insurance business sold by NN Japan since 2017. NN Re reinsures variable annuity policies sold by NN's Insurance Europe segment, in particular NN Belgium, Nationale-Nederlanden Spain and NN Hungary.

### *Risk management*

NN Re manages its risks through ceding excess risk to external reinsurers and hedging (a major part of) its market risks. The hedge objective of the variable annuity hedge programme is to mitigate market risks and to enter into positions with appropriately offsetting risk characteristics such as derivatives contracts.

### *Holding and other results*

The holding result included in the Other segment comprises the interest paid on hybrids and debt, the amortisation of intangibles and the head office expenses that are not allocated to the business segments.

### **Financial information<sup>4</sup>**

At the full-year 2023 results, NN Group increased its OCG target for 2025 to EUR 1.9 billion from the previously set EUR 1.8 billion. The increase is mainly driven by strong business performance in Netherlands Non-life and sustained strong delivery at NN Bank. The Netherlands Non-life business is expected to achieve outperformance on its initial OCG target of EUR 325 million in 2025 through further optimisation.

NN Bank continues to focus on originating high-quality Dutch mortgages in an efficient manner and driving customer interaction, with an expected outperformance on its initial OCG target of EUR 80 million in 2025.

The Issuer's international businesses are investing in profitable growth in the attractive protection markets in Europe and the SME life insurance market in Japan. The OCG target for Insurance Europe is set at EUR 450 million in 2025, which was already achieved one year early in 2024 and the OCG target for Japan Life is EUR 125 million in 2025.

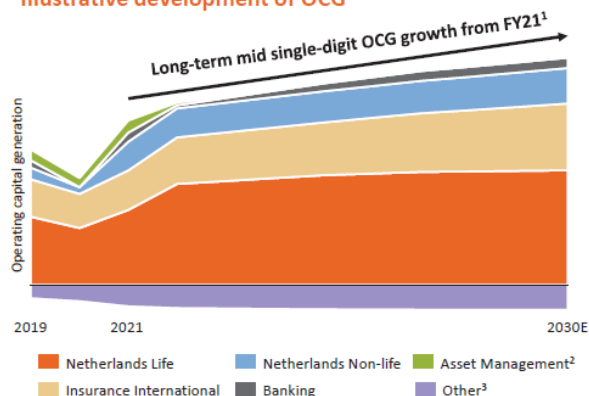
The Issuer's Netherlands Life business will continue to prioritise active in-force portfolio management, reducing expenses in line with the portfolio run-off, and growing its defined contribution business. The OCG target for Netherlands Life is set at EUR 1.15 billion in 2025, this target is considered challenging, in light of changes in market circumstances since the setting of the target (most notably decreased real estate valuations).

Organic growth drivers and business performance support long-term OCG growth, with the Issuer's guidance of long-term mid-single digit growth of OCG illustrated in the graph below.

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<sup>4</sup> The FY2022 results that are presented in this Offering Memorandum are based on IFRS 4 and IAS 39. As of 2023, NN's financial reporting is based on IFRS 9 and IFRS17. This means that NN has restated the FY2022 results for the impact of IFRS 9 and 17 and these restated results deviate from the FY2022 results presented in this Offering Memorandum.

### Illustrative development of OCG<sup>1</sup>



1. Defined as Own Funds generation (before eligibility) and SCR release (at 100%). Illustrative development based on current regulatory framework and June 2022 markets
2. Asset Management business (NN IP) was sold in April 2022
3. Segment Other includes holding expenses, debt costs and the contribution from NN Re

### Long-term OCG growth drivers

<b>Netherlands Life</b>	<ul style="list-style-type: none"> <li>Long-term sustainable OCG from in-force capital release and growth in DC</li> </ul>
<b>Insurance International</b>	<ul style="list-style-type: none"> <li>In Europe, higher VNB driven by GDP growth, protection under penetration, and distribution capabilities</li> <li>In Japan, ongoing shift to protection and unique sales support</li> </ul>
<b>Netherlands Non-life</b>	<ul style="list-style-type: none"> <li>Supported by long-term GDP growth, underwriting improvements and selective growth opportunities</li> </ul>
<b>Banking</b>	<ul style="list-style-type: none"> <li>Sustaining strong current results; NIM expected to normalise</li> </ul>

The Issuer's Solvency II capital ratio sensitivities at 31 December 2024 are set out in the following table:

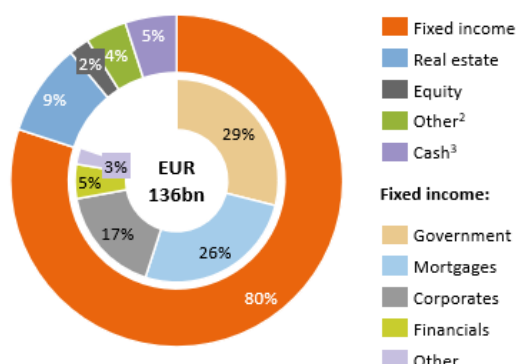
Solvency ratio sensitivities to market shocks at 31 December 2024 <sup>1,2</sup>	Δ EOF (EURbn)	Δ SCR (EURbn)	Δ SII ratio (%-points)
<b>Base:</b>	<b>17.0</b>	<b>8.8</b>	<b>194%</b>
<b>Interest rate: Parallel shock +50bps</b>	-0.4	-0.2	+0%
<b>Interest rate: Parallel shock -50bps</b>	+0.5	+0.2	-0%
<b>Interest rate: 10bps steepening between 20y–30y</b>	-0.1	-0.0	-1%
<b>Credit spread: Parallel shock for AAA-rated government bonds +50bps</b>	-0.5	-0.0	-6%
<b>Credit spread: Parallel shock for AA and lower-rated government bonds +50bps</b>	-0.8	-0.0	-8%
<b>Credit spread: Parallel shock corporate bonds +50bps</b>	+0.4	-0.1	+6%
<b>Credit spread: Parallel shock mortgages +25bps</b>	-0.6	-0.0	-6%
<b>Equity: Downward shock -25%</b>	-1.1	-0.2	-9%
<b>Real estate: Downward shock -10%</b>	-1.3	-0.1	-13%

<sup>1</sup> Sensitivities are performed for Solvency II entities, NN Life Japan and NN Bank

<sup>2</sup> Tier 3 eligible capital is maximized at 15% of SCR. Note that if Tier 3 capital becomes ineligible, the sensitivities increase as there is no offset from tax

The graph below illustrates the Issuer's high-quality investment portfolio:

### Investment portfolio (NN Group excluding banking)<sup>1</sup> (31 Dec 2024)



- High-quality and conservative investment portfolio
- Diversified real estate exposure across segments and regions
  - Core profile and strong occupancy rate >95%
  - Ability to price in inflation through rental income
  - Low leverage of ~20%
- Strong credit quality mortgage portfolio
  - Strict personal bankruptcy laws in the Netherlands
  - ~24% are guaranteed, mainly by the Dutch state (NHG)<sup>4</sup>
  - Average loan to value of 53%<sup>5</sup>
  - ~75%<sup>5</sup> has a fixed rate period >10 years
  - Credit losses in own portfolio close to zero
- Close to strategic asset allocation target and gradual optimisation of investment portfolio

All figures at 31 December 2024

1. Market value, excluding separate account assets; mortgages are on amortised cost value
2. Includes fixed income and equity mutual funds; excludes money market mutual funds
3. Cash includes money market mutual funds
4. The National Mortgage Guarantee is referred to in Dutch as 'NHG'; Includes mortgages that are guaranteed by third-party providers
5. Weighted net loan to indexed market value and remaining fixed rate period are based on NN Group excluding NN Bank

The graph below illustrates the Issuer's significant headroom above restricted Tier 1 triggers:

Group SCR <sup>1</sup> trigger	Group MCR <sup>2</sup> trigger	Distributable items
<ul style="list-style-type: none"> <li>• Coupon payments and redemption are prohibited if Group SCR ratio is &lt;100%</li> <li>• Principal write-down triggered (i) partially if Group SCR ratio is &lt;100% and not remedied within 3 months, or (ii) in full if Group SCR ratio is ≤75%</li> </ul>	<ul style="list-style-type: none"> <li>• Coupon payments and redemption are prohibited if Group MCR coverage is &lt;100%</li> <li>• Principal write-down in full triggered if Group MCR coverage is ≤100%</li> </ul>	<ul style="list-style-type: none"> <li>• Distributable items at 31 December 2024 amount to EUR 8.2bn</li> </ul>
		<p><b>Hierarchy of capital instruments</b></p> <ul style="list-style-type: none"> <li>• It is the intention of the Executive Board to consider the relative ranking of any outstanding Restricted Tier 1 (RT1) securities whenever exercising its discretion to declare ordinary dividends or to pay interest on any RT1 securities, in line with NN Group's dividend policy applicable at that time</li> </ul>
<sup>1.</sup> Solvency Capital Requirement (SCR) at 31 December 2024 <sup>2.</sup> Minimum Capital Requirement (MCR) and Eligible own funds to cover MCR at 31 December 2024		

## SUPERVISION AND REGULATION APPLICABLE TO NN'S BUSINESS

### Solvency II

As of 1 January 2016, the solvency framework and prudential regime, known as "Solvency II", has become applicable to insurance companies, reinsurance companies and insurance holding companies.

Under Pillar 1 of Solvency II, insurers are required to hold own funds equal to or in excess of a SCR. Solvency II categorises own funds into three tiers with differing qualifications as eligible available regulatory capital. The SCR is defined as the loss in basic own funds resulting from a 1-in-200 year adverse event over a one-year period. The internal risk capital framework is a combination of Internal Model and Standard Formula components. The largest component covering all major Dutch insurance entities uses internally developed methodologies for modelling the market, business and insurance risks to determine the solvency position for local reporting and Group consolidation purposes. For the EU-based international insurance businesses and some smaller insurance undertakings in the Netherlands, the Issuer uses the Solvency II Standard Formula to calculate the SCR for local reporting and for Group consolidation. Furthermore, the capital requirement for operational risk is based on the Standard Formula approach across the group. Finally, the non-insurance businesses, NN Bank and international insurance undertakings not based in the EU are consolidated in the group SCR based on the (local) applicable (sectoral) capital requirements under (provisional) equivalence. The total group SCR is obtained from the Internal Model and Standard Formula capital requirements using EIOPA's integration technique 3. The Issuer's Solvency II capital ratio can be found on page 2 of the press release published by the Issuer on 20 February 2025 entitled "NN Group reports continued strong business performance in 2024" which has been incorporated by reference.

The Issuer's Solvency II capital ratios and its Dutch insurance subsidiaries do not include any contingent liability potentially arising from unit-linked products sold, issued or advised on by the Issuer's Dutch insurance subsidiaries in the past. It should also be noted that the Solvency II capital ratio is amongst others subject to certain sensitivities to various market shocks, of which the impact can fluctuate over time.

Under Pillar 2 of Solvency II, regulated European insurance entities are required to produce an own risk and solvency assessment (**ORSA**). The Issuer (and each of its regulated insurance subsidiaries) produces an ORSA at least once a year. In the ORSA, the Issuer articulates its strategy and risk appetite, describes its key risks and how they are managed, analyses whether or not its capital models appropriately reflect the actual risk profile, and how susceptible the capital position is to shocks through stress and scenario testing, all in order to assess whether the company is adequately capitalized over the planning period. Stress testing examines the effect of severe but plausible scenarios on the capital position of the Issuer. Stress testing can also be initiated outside ORSA, either internally or by external parties such as DNB and European Insurance and Occupational Pensions Authority (**EIOPA**). The Issuer's banking and investment management operations, at least once a year, run an internal capital adequacy assessment process (**ICAAP**) in conformity with Basel II requirements. ICAAP tests whether current capital positions are adequate for the financial risks that the relevant Group entities bear.

On 23 April 2024, the European Parliament approved the amendments to Solvency II and on 5 November 2024, the Council adopted the amendments to Solvency II. The directive has been published in the EU's Official Journal on 8 January 2025 and enters into force on 28 January 2025. The new rules will be applicable two years after their entry into force and needs to be transposed into Dutch law by 29 January 2027.

### ***Dutch Intervention Act***

In June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) came into force in the Netherlands, with retroactive effect from 20 January 2012. The Dutch Intervention Act grants far-reaching new powers to DNB and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as NN, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. Under the Dutch Intervention Act, substantial new powers have been granted to DNB and the Dutch Minister of Finance enabling them to deal with ailing Dutch banks and insurance companies, as well as holding companies of insurance companies and financial conglomerates prior to insolvency.

The measures allow them to commence proceedings which may lead to (a) the transfer of all or part of the business (including, in the case of a bank, deposits) of an ailing bank or insurance company to a private sector purchaser, (b) the transfer of all or part of the business of an ailing bank or insurance company to a “bridge entity”, (c) the transfer of the shares in an ailing bank or insurance company to a private sector purchaser or a “bridge entity”, (d) immediate interventions by the Dutch Minister of Finance concerning an ailing bank or insurance company, and (e) public ownership (nationalisation) of (i) all or part of the business of an ailing bank or insurance company or (ii) all or part of the shares or other securities issued by an ailing bank or insurance company or its holding company. The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including the Issuer, of its payment and other obligations under debt securities, including the Securities, or result in the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations issued by the failing institution or its parent, including the Issuer.

The Dutch Intervention Act was amended on 26 November 2015 as a result of the entry into force of the EU Directive on the recovery and resolution of credit institutions, investment firms and certain holding companies, which was approved by the European Parliament on 15 April 2014 and of which the final text was published in the Official Journal of the European Union on 12 June 2014 (the **Recovery and Resolution Directive**). The Recovery and Resolution Directive also contains provisions that apply to mixed financial holding companies, and thus to the Issuer, including the right of bail-in of creditors. The majority of the implementing provisions relate to investment firms (and to a lesser extent credit institutions) whilst no material amendments are made in respect of the intervention powers regarding insurance companies. Furthermore, the terms of debt securities, including the Securities, may be varied (e.g. the variation of maturity of a debt instrument). The Dutch Intervention Act and the Recovery and Resolution Directive aim to ensure that financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool.

With the entry into force of the R&R Act (described below), many of the rules that were introduced by Dutch Intervention Act have been repealed and the emergency regulation (*noodregeling*) and safety-net-scheme (*opvangregeling*) are abolished.

### ***Insurance guarantee schemes***

Certain jurisdictions in which NN’s insurance subsidiaries operate require that life insurers doing business within the jurisdiction participate in guarantee associations, which raise funds to pay contractual benefits owed pursuant to insurance policies issued by impaired, insolvent or failed insurers. The occurrence of such a guarantee event may give rise to an obligation on the relevant insurance subsidiary to pay significant amounts under the guarantee. Insurance guarantee schemes may also oblige insurers to make annual payments to the guarantee association. An insurance guarantee scheme has been in place in Japan since 1999, and NN is obliged to make annual contributions to the guarantee scheme. The EC has been discussing EU-wide insurance guarantee schemes for several years. On 9 July 2019 EIOPA has published a Consultation Paper on Harmonisation of National Insurance Guarantee Schemes. This consultation took place in the context of proposals for the Solvency II 2020 Review. EIOPA has set out its advice on the harmonisation of national insurance guarantee schemes in its final Opinion on the 2020 review of Solvency II which was published on 17 December 2020. As at the date of this Offering Memorandum, no EC legislative proposals have yet been published. Any introduction of insurance guarantee schemes to which NN is subject may impact NN’s results or operations.



### ***Dutch law on recovery and resolution of insurers***

On 1 January 2019, the Dutch Act on Recovery and Resolution of Insurers (*Wet herstel en afwikkeling verzekeraars*, the **R&R Act**) came into force in the Netherlands, replacing the previously applicable intervention regime for insurance companies in the Netherlands faced with financial difficulties. Amongst other things, the R&R Act (i) expands and improves DNB's tools, including bail-in tools to write down debt or convert debt into equity, for recovering and resolving insurers in an orderly manner to protect the interests of the policyholders and (ii) opens the possibility to pay advances (*voorschotten*) to policyholders of an insolvent insurer prior to the bankruptcy verification meeting (*verificatievergadering*). The powers under the R&R Act may also extend to entities other than insurance or reinsurance entities in the Netherlands that are part of the group. In addition, the R&R Act will allow DNB to require a Dutch insurance or reinsurance company or a group to remove, ex ante, impediments to effective resolution of a Dutch insurance or reinsurance undertaking (such as the revision of financing arrangements, the reduction of exposures, the transfer of assets, the termination or limitation of business activities, or the prohibition to start certain business activities, change the legal or operational structure of the group, or securing certain critical business lines). The risks related to the R&R Act may be comparable to the risks described above in relation to the Dutch Intervention Act. However, as the R&R Act has come into force recently, the Group at this time is unable to predict what effects, if any, and any actions taken under the R&R Act may have in respect of the exercise of the Dutch bail-in power stemming from the R&R Act.

### ***Potential harmonisation of Recovery and Resolution frameworks for Insurers***

On 22 September 2021, the European Commission adopted a proposal for an Insurance Recovery and Resolution Directive (**IRR**D). On 27 July 2022, several amendments to the proposal were published. The Council and the European Parliament reached provisional agreement on the IRRD on 14 December 2023, which the Committee on Economic and Monetary Affairs approved on 29 January 2024. On 5 November 2024, the Council adopted the IRRD. The directive has been published in the EU's Official Journal on 8 January 2025 and entered into force on 28 January 2025. The new rules will be applicable two years after their entry into force. The IRRD needs to be transposed into Dutch law by 29 January 2027, which will lead to amendments of the R&R Act and the resolution tools provided thereunder. The IRRD is similar to a directive applicable to the recovery and resolution of banks in Europe and provides for a variety of planning and preventative measures to minimise the likelihood of insurance undertakings requiring public financial support, and for the initiation of resolution procedures for insurance undertakings that are failing or likely to fail, where there is no prospect that private sector alternatives or supervisory measures can avert failure. The IRRD provides, in case of resolution, for the application of a number of resolution tools, including in particular the write-down and conversion tool, which would allow resolution authorities to write down or convert to equity capital instruments and certain other liabilities of insurance undertakings, generally in inverse order of their ranking in liquidation, so that the tool would apply first to equity instruments, then Tier 1 own funds, such as the Securities, then Tier 2 own funds, then Tier 3 own funds, and then to other instruments with a higher ranking in liquidation.

### ***Insurance Distribution Directive and PRIIPs Regulation***

Sales of NN's insurance and packaged retail investment products are required to comply with the PRIIPs Regulation and with Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (the **IDD**). The IDD is implemented via the Implementation Act Insurance Distribution Directive (*Wet implementatie richtlijn verzekeringsdistributie*) into Dutch law as of 9 March 2019. The PRIIPs Regulation and the IDD are aimed at levelling the playing field for the sale and disclosure of insurance and packaged retail investment products to strengthen consumer protection. The PRIIPs Regulation addresses disclosure rules for packaged retail investment products and introduces a new standard for product information

called a “Key Information Document” or “KID”. The IDD addresses sales and disclosure rules for insurance products, including additional sales rules for insurance investment products. The most material risk of the PRIIPs Regulation and the IDD for NN is the increased regulatory burden and the restrictions these impose on the NN’s flexibility to sell its products.

### **Remuneration**

As from 2011, credit institutions and investment firms based in Member States have to comply with the variable pay constraints following from CRD III. These CRD III rules have been revised and as from 2014, credit institutions and investment firms based in Member States have to comply with the variable pay constraints following from CRD IV, including a bonus cap of 100 per cent. of fixed pay (or 200 per cent. if shareholders approve) for identified staff. These variable pay constraints are applicable to all operations of credit institutions and investment firms based in Member States (including their operations outside the EU). These variable pay constraints following from CRD IV were implemented in Dutch law on 1 August 2014. As a result, the variable pay constraints stemming from CRD IV apply directly to the bank and investment management activities of NN. These pay constraints may limit NN’s ability to attract and retain talented staff. CRD IV allows Member States to introduce a more restrictive bonus cap.

On 7 February 2015, the Act on Remuneration Policies in Financial Enterprises (*Wet beloningsbeleid financiële ondernemingen*) (**ARPFE**) entered into force which is also applicable to Dutch-based insurance companies and banks. The ARPFE introduces a cap for variable remuneration of 20 per cent. of fixed remuneration for all staff in the Netherlands. In the ARPFE, the following exceptions to the 20 per cent. cap are included: (i) for staff in the Netherlands whose remuneration does not exclusively fall under a collective labour agreement, the 20 per cent. cap does not apply on an individual basis, but it applies to the average variable remuneration of such staff whereby the maximum variable remuneration is capped at 100 per cent. of the fixed remuneration of each individual; (ii) for staff that work predominantly outside of the Netherlands, but within the EU, there is an individual variable remuneration cap of 100 per cent. of fixed remuneration; (iii) for staff that work predominantly outside the EU, an individual variable remuneration cap of 200 per cent. of fixed remuneration applies, subject to shareholder approval and notification to the regulator; and (iv) the 20 per cent. cap does not apply to legal entities whose regular business is managing one or more collective investment undertakings which are subject to AIFMD or UCITS. In addition, the ARPFE also covers a number of other topics, such as strict conditions on severance pay, prohibition on guaranteed bonuses and claw-back of variable remuneration and severance pay. Although exceptions to the 20 per cent. cap are available, these new pay constraints may limit NN’s ability to attract and retain talented staff.

On 1 January 2023, the Act on further remuneration rules (*Wet nadere beloningsregels*) entered into force. This law introduces additional remuneration rules that, amongst other things, (i) introduce a retention period for share awards that are part of fixed remuneration received by statutory board members and employees of a financial institution such as a bank or insurance company and (ii) aim to limit the scope of the exception to the 20 per cent cap for staff in the Netherlands whose remuneration does not exclusively fall under a collective labour agreement. These new pay constraints may limit NN’s ability to attract and retain talent.

### **Basel III Reforms /CRD IV/EU Banking Reforms**

Regulatory requirements with respect to capital adequacy and liquidity, as proposed by the Basel Committee on Banking Supervision (the **Basel Committee**) and being implemented in the European Union through, among others, the CRD IV and the CRR, as these are amended from time to time. These requirements are subject to ongoing change, and are expected to become more stringent. This is especially due to the implementation and entry into force of the change to CRD IV by virtue of Directive (EU) 2019/878 (CRD V) (which was implemented for the most part in Dutch law as of 29 December

2020) and the CRR by virtue of Regulation (EU) 2019/876 (CRR II) (which for the most part applies as of 28 June 2021) included in the EU banking package adopted in April 2019 (the **EU Banking Reforms**) and the finalised Basel III reforms as published on 7 December 2017 (the **Basel III Reforms**) (informally referred to as Basel IV). The foregoing measures are expected to require NN Bank to attract and retain additional and/or enhanced capital and liquidity, and will impact the day-to-day banking business. Notable changes that will affect NN Bank's business includes changes to the requirements for the risk-weighting of mortgages and the introduction of an output floor. NN Bank expects that as of 2023, due to the Basel III Reforms its risk-weighted assets (RWA) will increase to a limited extent and that its CET1 capital ratio will be adversely affected to a limited extent as a consequence. As the impact of the EU Banking Reforms and Basel III Reforms is still subject (in part) to further implementation in the EU or national laws, the exact impact of these changes to the applicable prudential regime is yet to be fully determined by NN Bank. NN Bank will closely monitor the further implementation of the EU Banking Reforms and the Basel III Reforms. On 27 October 2021, the European Commission published the proposals to implement Basel III Reforms in the EU. The amendments to the CRR entered into force on 9 July 2024 and largely apply directly from 1 January 2025. The amendments to CRD entered into force on 9 July 2024, but as a European directive the changes will need to be transposed into national law before they become applicable. The Dutch Ministry of Finance has 18 months to implement the new CRD into Dutch legislation. The provisions of CRD must largely be applied from 11 January 2026.

The implementing act on loss absorption and recapitalisation capacity of banks and investment firms (*Implementatiewet verliesabsorptie- en herkapitalisatiecapaciteit van banken en beleggingsondernemingen*), implementing Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (**BRRD II**) and the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the **SRM Regulation**) set out a common European recovery and resolution framework applicable to banks and certain investment firms, group entities (including financial institutions subject to consolidated supervision) and (to a limited extent) branches of equivalent non-EEA banks and investment firms. In connection therewith, the SRM and BRRD II recognise and enable the application of the recovery and resolution framework both on the level of an individual entity as well as on a group level. The below should be read in the understanding that NN Bank or any entity belonging to the Group may become subject to requirements and measures under the SRM and BRRD II not only with a view to or as a result of its individual financial situation, but also, in certain circumstances, with a view to or as a result of the financial situation of the group that it forms part of. Moreover, for the avoidance of doubt, the below requirements and measures may also apply to any such group entity of NN Bank, which may include the NN Covered Bond Company B.V. Currently, DNB in its capacity of national resolution authority (**NRA**) shall perform resolution tasks and responsibilities under the SRM with respect to NN Bank (as a less significant institution under the Single Supervisory Mechanism). Therefore, if NN Bank would be deemed no longer viable (or one or more other conditions apply) the NRA may decide to write-down, reduce, redeem, cancel or convert relevant capital instruments and certain eligible liabilities into claims which may give right to relevant capital instruments and certain eligible liabilities of NN Bank, such as Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments and certain eligible liabilities, in principle in a certain order. The exercise of the aforementioned write down or conversion powers could adversely affect the market value of their Covered Bonds.

If NN Bank would be deemed to fail or likely to fail and the other resolution conditions would also be met, the NRA may decide to place NN Bank under resolution. It may decide to apply certain resolution tools. These resolution tools include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in summary, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM provides for the bail-in tool. The

bail-in tool may be applied to recapitalise NN Bank (whether or not in combination with one of the aforementioned transfer tools) or convert into claims which may give right to shares or other instruments of ownership or into rights with respect to to-be-issued shares or other instruments of ownership or reduce the principal amount of claims or debt instruments of NN Bank that have been transferred pursuant to one of the aforementioned transfer tools. The bail-in tool extends further than the aforementioned write-down and conversion powers, as it may also result in the write-down or conversion into shares of (other) eligible liabilities in accordance with a certain order of priority.

In addition to the resolution powers described above, the NRA may decide to terminate or amend any agreement to which NN Bank is a party or replace NN Bank as a party thereto. Furthermore, the NRA may, subject to certain conditions, suspend the exercise of certain rights of counterparties *vis-à-vis* NN Bank or suspend the performance of payment or delivery obligations of NN Bank. These suspension rights can in certain circumstances also be exercised in the run-up to a resolution procedure. In addition, pursuant to Dutch law, certain counterparty rights may be excluded.

To ensure that bail-in can be effectively applied, a minimum requirement for own funds and eligible liabilities (**MREL**) applies to NN Bank under the BRRD II and SRM Regulation. The MREL framework is intended to make sure that NN Bank can absorb losses expected in resolution or at the point of non-viability and to be recapitalised after the implementation of resolution actions. The MREL is subject to ongoing changes, and is expected to become more stringent. This is especially due to the implementation and entry into force of the changes to BRRD II and SRM Regulation forming part of the EU Banking Reforms. Upcoming changes to MREL, as applicable to NN Bank, may result in NN Bank having to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframe. If NN Bank were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on NN Bank's business, financial position and results of operations.

In addition to the BRRD II and SRM Regulation, the Dutch Financial Supervision Act enables the Dutch Minister of Finance to intervene with a bank established in the Netherlands, such as NN Bank, if the Minister of Finance is of the view that the stability of the financial system is in serious and immediate danger due to the situation of the relevant bank. These powers, among others, consist of the expropriation of assets and/or liabilities (*onteigening van vermogensbestanddelen*) of NN Bank, claims against NN Bank and securities issued by or with the cooperation of NN Bank.

It is possible that the NRA may use its powers under the BRRD II or SRM Regulation or the Dutch Financial Supervision Act in a way that could result in debt instruments of NN Bank absorbing losses. The use of these could negatively affect the position of the holders of such debt instruments and the credit rating attached to debt instruments then outstanding and could result in losses to the holders of such debt instruments, in particular if and when any of the above proceedings would be commenced against NN Bank. These measures and consequences could increase NN Bank's cost of funding and thereby have an adverse impact on NN Bank's financial position and results of operation. In addition, there could be amendments (including, but not limited to, the amendments discussed above) to the SRM Regulation and the BRRD II or the Dutch Financial Supervision Act, which may add to these effects.

Finally, any perceived or actual indication that NN Bank is no longer viable, may become subject to recovery or resolution and/or does not meet its other recovery or resolution requirements (such as MREL) may have a material adverse impact on NN Bank's financial position, regulatory capital position and liquidity position, including increased costs of funding for regulatory purposes.

### *International sanctions*

In various jurisdictions in which NN does business, it is subject to laws, regulations and other measures concerning transactions in certain countries and regions, and with certain individuals, that may result in the imposition of significant penalties and reputational harm should NN not fully comply with them. These legislative, regulatory and other measures include anti-terrorism measures, international sanctions, blockades, embargoes, blacklists and boycotts imposed by, amongst others, the EU, the United States and the United Kingdom. The scope and content of, and penalties that may result from, these legislative, regulatory and other measures have in the past, and may in the future, change, with limited or no forewarning and with retroactive effect. Moreover, these legislative, regulatory and other measures may lead to conflicting duties and prohibitions, making it difficult or even impossible for NN to comply, for instance as compliance with a duty under one such law may constitute a breach of a prohibition under another. These measures may also adversely affect NN's ability or appetite to do business in certain jurisdictions and regions and with respect to certain types of customers and products.

### *Anti-money laundering rules*

Almost all the business units of NN are subject to the Anti-Money Laundering Directive (**AMLD**). The AMLD provides a comprehensive set of measures to prevent the use of the financial system for money laundering or terrorist financing. In order to comply with the AMLD, NN needs to perform customer due diligence and monitor transactions. These procedures are complex, time-consuming and resource-intensive. Non-compliance will result in the imposition of significant penalties and reputational harm for NN. As every jurisdiction has implemented the AMLD in a different way, it can be challenging to figure out what the requirements and expectations are of the local regulators. In May 2024 the Council adopted a package of new anti-money-laundering rules, which becomes applicable as of July 2027.

### *EU Benchmarks Regulation*

On 29 June 2016, EU Benchmarks Regulation was published in the official journal and applies from 1 January 2018. The EU Benchmarks Regulation aims to contribute to the accuracy and integrity of benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds by, among others, (i) ensuring that benchmark administrators are subject to prior authorisation and supervision depending on the type of benchmark, requiring greater transparency on how a benchmark is produced, and (ii) ensuring the appropriate supervision of critical benchmarks, such as EURIBOR, the failure of which might create risks for market participants and for the functioning and integrity of markets; and (iii) requiring EU supervised entities to only use benchmarks of administrators that are duly authorised/registered. As user of benchmarks for, amongst others, the debt securities it issues, the Issuer may only use benchmarks which are in compliance with the EU Benchmarks Regulation.

### *Sustainability regulations*

NN is subject to increasing sustainability regulations, such as Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the **SFDR**), Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the **Taxonomy Regulation**), the Regulation (EU) 2021/1257 amending IDD regulations (EU) 2017/2358 and (EU) 2017/2359 (the **IDD Amendment**) and Regulation (EU) 2021/1256 amending Regulation (EU) 2015/35 (the **Solvency II sustainability risks Amendment**). In addition, the European Commission has adopted a proposal for a Directive on corporate sustainability due diligence (**CSDDD**) which would, among others, establish a corporate due diligence duty on companies to identify, end, prevent and mitigate negative human rights and environmental impact in the company's own operations, its subsidiaries and in its chain of activities. The European Commission is expected to unveil an "Omnibus

pack” that would modify certain key EU laws on sustainability reporting, towards the end of February 2025. As of the date of this Offering Memorandum, it is uncertain what the impact will be.

These regulations will for instance require NN to include detailed information at entity level and at product level with regard to certain financial products on whether or not it takes into account adverse sustainability impact, whether or not the relevant product promotes environmental or social characteristics or has sustainable investments as its objective. In addition, the Issuer is required to disclose in its annual report the extent to which its assets are exposed to Taxonomy Regulation eligible and non-eligible economic activities. According to the IDD Amendment, NN is required to integrate sustainability factors, risks and preferences into product oversight and governance requirements and into the conduct of business rules and investment advice for insurance-based investment products (IBIPs). Furthermore, the Solvency II sustainability risks Amendment provides additional rules on the integration of sustainability risks in NN’s governance.

On 30 November 2023, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the **European Green Bond Regulation**) was published in the Official Journal of the EU. The European Green Bond Regulation has come into force on 20 December 2023 and most provisions will apply from 21 December 2024. It will establish an EU voluntary high-quality standard for green bonds called the European Green Bond Standard. The European Green Bond Standard will be available to companies and public entities that wish to raise funds on capital markets to finance their green investments, while meeting the requirements of the Taxonomy Regulation, and/or any (future) delegated regulations, requirements.

As NN will have to implement these regulations and expects to have to implement more sustainability-related regulations, this will lead to additional implementation and compliance costs for NN.

### ***Digital Operational Resilience Act***

Although the Group is already required to comply with several ICT risk management and resilience obligations, Regulation (EU) 2022/2554 on digital operational resilience for the financial sector, which entered into force on 16 January 2023 (**DORA**), introduces an extensive new, uniform and comprehensive framework on the digital operational resilience on insurers, credit institutions, fund managers and certain other regulated financial institutions in the EU (e.g., DORA extends to all contracts with ICT services, not only contracts that are considered outsourcing). Consequently, the Group needs to ensure compliance with these requirements as from 17 January 2025. Implementation of DORA is requiring further maturing of its framework internally; externally, it may require further amendment or renegotiation, as necessary, of existing contractual arrangements with certain third parties, in particular with ICT suppliers. This may give rise to additional compliance and ICT-related costs and expenses. Should the Group not be able to timely comply with DORA, this may result in administrative and/or criminal enforcement and/or reputational damage.

## **Legal Proceedings**

### ***General***

NN is involved in litigation and arbitration proceedings in the Netherlands and in a number of foreign jurisdictions, involving claims by and against NN which arise in the ordinary course of its business, including in connection with its activities as insurer, lender, seller, underwriter, issuer of securities and investor and its position as employer and taxpayer. In certain of such proceedings, very large or indeterminate amounts are sought, including punitive and other damages. Except as disclosed in this section, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date

of this Offering Memorandum which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

Because of the geographic spread of its business, NN may be subject to tax audits in numerous jurisdictions at any point in time. Although the Issuer believes that it has adequately provided for its tax positions, the ultimate outcome of these audits may result in liabilities that are different from the amounts recognised.

### **Unit-linked products in the Netherlands**

Since the end of 2006, unit-linked products (commonly referred to in Dutch as ‘*beleggingsverzekeringen*’) have received negative attention in the Dutch media, from the Dutch Parliament, the AFM and consumer protection organisations. Costs of unit-linked products sold in the past are perceived as too high and Dutch insurers are in general being accused of being less transparent in their offering of such unit-linked products.

In 2013 Woekerpolis.nl and in 2017 Consumentenbond and Wakkerpolis, all associations representing the interests of policyholders of Nationale-Nederlanden, individually initiated so-called ‘collective proceedings’ against Nationale-Nederlanden. These claims have been rejected by Nationale-Nederlanden and Nationale-Nederlanden defends itself in these legal proceedings.

On 9 January 2024, Nationale-Nederlanden announced a settlement with consumer protection organisations ConsumentenClaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and Consumentenbond (defined above as the Consumer Protection Organisations) regarding unit-linked products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Levensverzekering (defined above as the 2024 Settlement). The 2024 Settlement relates to all unit-linked products of policyholders affiliated with the Consumer Protection Organisations 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 if and when the settlement is executed, which is currently anticipated before end 2025. The 2024 Settlement also includes that no new legal proceedings may be initiated against Nationale-Nederlanden by the Consumer Protection Organisations or their affiliated parties. To cover the settlement costs, a provision of approximately 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 Consumer Protection Organisations and who have not previously received compensation.

### ***Argentina***

On 10 April 2019, NN Group filed a claim with the International Centre for Settlement of Investment Disputes (ICSID) under the Bilateral Investment Treaty between Argentina and the Netherlands, in order to resolve a dispute with the Argentine Republic. The dispute relates to the nationalisation of Orígenes – NN Group’s former pension fund manager in Argentina – by the Argentine Government in 2008. These proceedings may last for several years. As the case is still pending, it is unclear at this stage whether and to what extent any compensation will be granted to NN Group and therefore no compensation has been recognised.

## **Executive Board, Management Board and Supervisory Board**

### **General**

The Issuer has a two-tier board structure consisting of an executive board (*raad van bestuur*) (the **Executive Board**) and a supervisory board (*raad van commissarissen*) (the **Supervisory Board**). The

Issuer also has a management board (the **Management Board**). The Issuer mandatorily applies the full large company regime (*volledig structuurregime*).

The Executive Board is entrusted with the management, the strategy, the operations, and the risk management of the Issuer under supervision of the Supervisory Board. In performing its duties, the Executive Board must carefully consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the interests of all the stakeholders of the Issuer. When considering these interests, the Executive Board shall also take into account the continuity of the Issuer, the Issuer's view on sustainable long-term value creation, the impact the actions of the Issuer have on people and the environment, as well as applicable legislation, regulations and rules of conduct. The organisation, duties and working methods of the Executive Board are detailed in the charter of the Executive Board. This charter is available on the Issuer's website.

Certain resolutions of the Executive Board require the approval of the Supervisory Board and/or the general meeting of shareholders of the Issuer (**General Meeting**). These resolutions are outlined in the articles of association of the Issuer (**Articles of Association**), which are available on the Issuer's website, and in the charter of the Executive Board.

### Members of the Executive Board

As at the date of this Offering Memorandum, the Executive Board consists of David Knibbe and Annemiek van Melick.

The business address of the members of the Executive Board is the registered address of the Issuer at Schenkkade 65, 2595 AS The Hague, the Netherlands.

The following table sets forth the composition of the Executive Board and details of each of the members of the Executive Board as at the Date of this Offering Memorandum.

#### Executive Board

<u>Name</u>	<u>Position</u>	<u>Date of appointment</u>	<u>Termination / reappointment date</u>
David Knibbe	Chair, Chief Executive Officer (CEO)	26 September 2019, effective 1 October 2019, reappointment 2 June 2023	2027 <sup>1</sup>
Annemiek van Melick	Vice-chair, Chief Financial Officer (CFO)	19 May 2022, effective 1 July 2022	2026 <sup>2</sup>

<sup>1</sup> Term of appointment will end at the close of the annual general meeting of NN Group in 2027

<sup>2</sup> Term of appointment will end at the close of the annual general meeting of NN Group in 2026

**David Knibbe** was appointed to the Executive Board and designated as Chief Executive Officer (CEO) of the Issuer and as a result as chair of the Executive Board and Management Board effective 1 October 2019, and was reappointed on 2 June 2023. He is responsible for the business strategy, performance and day-to-day operations of the Issuer. Mr Knibbe has been a member of the Management Board since 7 July 2014 at which time he served as CEO Netherlands. Mr. Knibbe's previous positions include CEO ING Insurance Europe. Mr Knibbe holds a Master's degree in monetary economics from the Erasmus University in Rotterdam (the Netherlands). Furthermore, Mr Knibbe is member of the board and treasurer of the Confederation of Netherlands Industry and Employers (VNO-NCW), member of the



Federative Board VNO-NCW and MKB NL, member of the board of the Johan Cruyff Foundation, member of the advisory board of JINC, member of the Hoogeschoolraad of Vereniging Trustfonds Erasmus University, member of the Geneva Association, member of the Pan European Insurance Forum, member of the World Economic Forum's Alliance of CEO Climate Leaders and Governors meeting Financial Sector, supervisory board member of Stichting Erasmus Trustfonds and societal member of the KHMW.

**Annemiek van Melick** was appointed member of the Management Board as of 1 June 2022. She was appointed member of the Executive Board and designated Chief Financial Officer (CFO) of the Issuer and as a result vice-chair of the Executive Board and Management Board effective 1 July 2022. Ms Van Melick is responsible for the Issuer's finance departments and investor relations. Ms Van Melick's previous positions include CFO at a.s.r. Ms Van Melick holds a degree in business administration from Nyenrode Business Universiteit (the Netherlands) and a law degree from Utrecht University (the Netherlands). Furthermore, Ms van Melick is a member of the supervisory board and chair of the audit committee of Royal Swinkels Family Brewers and member of the CFO Forum.

### **Potential conflicts of interest**

There are no actual or potential conflicts of interest between any duties owed by the members of the Executive Board to the Issuer and any private interests or other duties that such persons may have. There is no family relationship between any member of the Executive Board, the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent and are not reported if a member of the Executive Board obtains financial products and services, other than loans, which are provided by any subsidiary of the Issuer in the ordinary course of business on terms that are customary in the sector. In connection with the foregoing, 'loans' does not include financial products in which the granting of credit is of a subordinated nature, e.g. credit cards and overdrafts in current accounts, because of a lack of materiality.

## **Management Board**

### **General**

The Management Board is entrusted with the day-to-day management and the overall strategic direction of the Issuer. In performing its duties, the Management Board must carefully consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the interests of all stakeholders of the Issuer. When considering these interests, the Management Board shall also take into account the continuity of the Issuer, the Issuer's view on sustainable long-term value creation, the impact the actions of the Issuer have on people and the environment, as well as applicable legislation, regulations and rules of conduct. Notwithstanding the foregoing, the rights and obligations of the Executive Board under Dutch law, the Articles of Association and the charter of the Executive Board remain in full force and effect. Each of the members of the Management Board is responsible and accountable to the Executive Board and within the Management Board for the specific tasks as assigned. Being comprised of the Executive Board members as well as key leaders with a divisional or functional responsibility, the Management Board allows for integral and holistic decision making at the highest level of the Issuer with functions, the businesses and Executive Board members represented. Besides serving balanced, effective and timely decision making, the Issuer having a Management Board also provides for flexibility in terms of composition, allocation of tasks and responsibilities and required knowledge. In supervising the functioning of the Issuer's corporate governance structure, including its checks and balances, the Supervisory Board pays specific attention to the dynamics and relationship between the Executive Board and the Management Board as well as the manner in which the Management Board operates. The Supervisory Board will be provided with all the information necessary for the proper performance of this duty. In principle, members of the Management Board are

present at meetings with the Supervisory Board where topics are discussed that relate to their area of responsibility. Next to that, the Supervisory Board regularly meets with the full Management Board. The organisation, role, duties and working methods of the Management Board are detailed in the charter of the Management Board. The charter is available on the Issuer's website.

### Members of the Management Board

The following table sets forth the composition of the Management Board as at the date of this Offering Memorandum. The Management Board consists of the following members:

Name	Position	Date of appointment
David Knibbe	Chair, CEO (as of 1 October 2019)	7 July 2014
Annemiek van Melick	Vice-chair, CFO (as of 1 July 2022)	1 June 2022
Tjeerd Bosklopper	CEO Netherlands Non-life, Banking & Technology (as of 1 June 2020)	1 September 2018
Frank Eijnsink	CEO International Insurance	1 September 2023
Dailah Nihot	Chief People, Communications, and Sustainability Officer	1 September 2018
Wilbert Ouburg <sup>1</sup>	Chief Risk Officer (CRO)	1 October 2024
Leon van Riet	CEO Netherlands Life & Pensions	1 June 2020
Janet Stuijt	General Counsel	1 September 2018

<sup>1</sup> Wilbert Ouburg has succeeded Bernhard Kaufmann, who stepped down as CRO and member of the Management Board as of 1 October 2024.

The business address of all members of the Management Board is the registered address of the Issuer at Schenkkade 65, 2595 AS The Hague, the Netherlands.

For information in respect of the members of the Executive Board who are also members of the Management Board, Mr Knibbe and Ms Van Melick, see “*Description of the Issuer — Executive Board, Management Board and Supervisory Board—Members of the Executive Board*”.

**Tjeerd Bosklopper** was appointed CEO Netherlands Non-life, Banking & Technology and member of the Management Board as of 1 June 2020. In this role he is responsible for the Dutch Non-life and Banking business segments, Customer & Digital, NN Ventures, IT, and procurement globally. Mr Bosklopper was CEO Netherlands ad interim from 17 December 2019 until 1 June 2020. Mr Bosklopper was appointed to the Management Board as Chief Transformation Officer on 1 September 2018. Mr Bosklopper's previous positions include Head of Integration of Nationale-Nederlanden Netherlands and Belgium. Mr Bosklopper holds a Master of Science in Business Information Technology from the University of Twente (the Netherlands). Besides being a member of the Management Board, Mr Bosklopper is vice-chair of the board of the Dutch Association of Insurers (Verbond van Verzekeraars) and member of the Steering Committee of National Coalition Financial Health (Nationale Coalitie Financiële Gezondheid).

**Frank Eijssink** was appointed CEO International Insurance and member of the Management Board as of 1 September 2023. In this role, he is responsible for Insurance Europe, the Issuer's European insurance businesses, excluding the Netherlands. Mr Eijssink's previous positions include CEO of several NN Group International Insurance business units. Mr Eijssink holds a Master of Science in Physics and a Master of Science in Business Engineering and Management Science from the University of Technology in Eindhoven (the Netherlands).

**Dailah Nihot** was appointed Chief Organisation & Corporate Relations and member of the Management Board as of 1 September 2018. To better reflect the portfolio managed by Ms Nihot, her title changed to Chief People, Communications, and Sustainability Officer with effect from 1 December 2022. Ms Nihot is responsible for the Issuer's overall corporate relations, sustainability, branding, human resources and facility management functions, with a specific focus on the Issuer's role in society. Ms Nihot's previous positions include Managing Director of Corporate Relations for the Issuer. Ms Nihot holds a Master's degree in European Studies from the University of Amsterdam (the Netherlands) and an Executive Master in Corporate Communication from the RSM Erasmus University in Rotterdam (the Netherlands). Besides being a member of the Management Board, Ms Nihot is member of the supervisory board of WOMEN Inc.

**Wilbert Ouburg** was appointed Chief Risk Officer (CRO) and member of the Management Board of the Issuer as of 1 October 2024. In this role he is responsible for the overall risk framework with direct responsibility for the risk management departments. He is also responsible for the actuarial function and reinsurance. Mr Ouburg's previous positions include CRO at Nationale-Nederlanden Life & Pensions. Mr Ouburg has an Executive Master's degree in Actuarial Science and Mathematical Finance from the Amsterdam Business School (the Netherlands) and a Master's degree in Mathematical Sciences from Utrecht University (the Netherlands) and he is a qualified actuary. Besides being a member of the Management Board, Mr Ouburg is a member of the Dutch Actuarial Society and member of the CRO Forum.

**Leon van Riet** was appointed CEO Netherlands Life & Pensions and member of the Management Board as of 1 June 2020. In this role, he is responsible for the Life and Pension businesses in the Netherlands, as well as for Japan Life as of 1 September 2023. Mr Van Riet's previous positions include CEO of Nationale-Nederlanden Non-life in the Netherlands. Mr Van Riet holds a degree in electrical engineering from Delft University of Technology (the Netherlands). Besides being a member of the Management Board, Mr Van Riet is chair of the sector life insurances of the Dutch Association of Insurers (Verbond van Verzekeraars), member of the board of Stichting Dienstverlening VoV and member of the supervisory board of Dutch Terrorism Claims Reinsurance Company (Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden).

**Janet Stuijt** was appointed to the Management Board as General Counsel as of 1 September 2018. Ms Stuijt is responsible for the Issuer's legal function, the group compliance function and Corporate Security & Investigations and holds the position of Company Secretary. Ms Stuijt's previous positions include General Counsel & Head of Compliance of the Issuer. Ms Stuijt holds a Master's in Civil law, from the University of Leiden (the Netherlands). Besides being a member of the Management Board, Ms Stuijt is vice-chair of the supervisory board of Nederlandse Spoorwegen N.V., chair of its remuneration & nomination committee and member of its risk & audit committee, and member of the advisory board of the Master Law & Finance of University of Amsterdam.

### **Potential conflicts of interest**

There are no actual or potential conflicts of interest between any duties owed by the members of the Management Board to the Issuer and any private interests or other duties that such persons may have. There is no family relationship between any member of the Executive Board, the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent and are not reported if a member of the Management Board obtains financial products and services, other than loans, which are provided by any subsidiary of the Issuer in the ordinary course of business on terms that are customary in the sector. In connection with the foregoing, “loans” does not include financial products in which the granting of credit is of a subordinated nature, e.g. credit cards and overdrafts in current accounts, because of a lack of materiality.

## **Supervisory Board**

### **Powers, responsibilities and functioning**

The Supervisory Board is responsible for supervising the management of the Executive Board and the general course of affairs of the Issuer and its businesses. The Supervisory Board may, on its own initiative, provide the Executive Board with advice and may request any information from the Executive Board that it deems appropriate. In performing its duties, the Supervisory Board must carefully consider and act in accordance with the interests of the Issuer and the business connected with it, taking into consideration the relevant interests of all stakeholders of the Issuer. When considering these interests, the Supervisory Board shall also take into account the continuity of the Issuer, the Issuers’ view on sustainable long-term value creation, the impact the actions of the Issuer have on people and the environment, as well as applicable legislation, regulations and rules of conduct. The organisation, duties and working methods of the Supervisory Board are detailed in the charter of the Supervisory Board. The charter is available on the Issuer’s website.

The Supervisory Board has established three committees: the Audit Committee, the Risk Committee, and the Nomination, Remuneration and Governance Committee. The organisation, duties and working methods of the Supervisory Board committees are detailed in a separate charter for each committee. The charters are available on the Issuer’s website.

### **Members of the Supervisory Board**

As at the date of this Offering Memorandum, the Supervisory Board consists of Mr Cole, Ms Van der Meer Mohr, Ms Beale, Mr Jenkins, Mr Lelieveld, Ms Reyes and Mr Timmermans. The term of each of the members of the Supervisory Board will terminate at the close of the annual general meeting in the year indicated below.

The business address of all members of the Supervisory Board is the registered address of the Issuer at Schenkkade 65, 2595 AS The Hague, the Netherlands.

#### **Supervisory Board**

<b>Name</b>	<b>Position</b>	<b>Date of appointment</b>	<b>Termination / reappointment date</b>
David Cole	Chair (as of the close of the AGM on 29 May 2019) (independent)	1 January 2019, reappointment 19 May 2022	2026
Pauline van der Meer Mohr	Vice-chair (as of the close of the AGM on 2 June 2023) (recommended by the Works Council as of	19 May 2022, effective 1 January 2023	2026

	24 May 2024) (independent)		
Inga Beale	Member (independent)	20 May 2021	2025
Robert Jenkins	Member (independent)	2 February 2016, reappointment 28 May 2020 and 24 May 2024	2026
Rob Lelieveld	Member (recommended by Works Council) (independent)	20 May 2021, effective 1 September 2021	2025
Cecilia Reyes	Member (independent)	20 May 2021	2025
Koos Timmermans	Member (independent)	24 May 2024	2028

Hans Schoen's term of appointment as Supervisory Board Member ended at the close of the annual general meeting of the Issuer on 24 May 2024.

**David Cole** was appointed to the Supervisory Board on 31 May 2018, which appointment became effective on 1 January 2019. As of the close of the AGM on 29 May 2019, he serves as Chair of the Supervisory Board. Mr Cole was reappointed on 19 May 2022. Mr Cole's previous positions include CFO and CRO of Swiss Re Ltd. Mr Cole holds a Bachelor of Business Administration degree from the University of Georgia (United States) and attended the International Business Programme at the Nyenrode University (the Netherlands). Besides being a member of the Supervisory Board, Mr Cole's positions include member of the board of directors of Vontobel Holding AG (Zürich), member of the European Financial Roundtable (EFR), chair of the supervisory board of IMC Global Holdings LLC and member of the board of directors of COFRA Holding AG.

**Pauline van der Meer Mohr** was appointed to the Supervisory Board on 19 May 2022, which appointment became effective on 1 January 2023, and was appointed vice-chair of the Supervisory Board on 2 June 2023. She is considered appointed pursuant to the enhanced recommendation right of the Central Works Council as of 24 May 2024. Ms Van der Meer Mohr's previous positions include chair of the executive board of Erasmus University of Rotterdam (the Netherlands) and chair of the Dutch Corporate Governance Code Monitoring Committee. Ms Van der Meer Mohr holds a Master's in Advanced Dispute Resolution, University of Amsterdam (the Netherlands) and Dutch Law, Erasmus University Rotterdam (the Netherlands). Besides being a member of the Supervisory Board, Ms Van der Meer der Meer Mohr is also chair of the supervisory board of ASM International N.V. and member of the supervisory board of Koninklijke Ahold Delhaize N.V.

**Inga Beale** was appointed to the Supervisory Board on 20 May 2021. Ms Beale's previous positions include CEO of Lloyd's of London. As a reinsurance underwriter, Ms Beale attained a degree equivalent insurance qualification as an Associate of the United Kingdom Chartered Insurance Institute and became Chartered in 2016. She also completed the Manager Development Course and higher-level Business Management Course as part of the Executive Education programme at GE's Stamford-based University (United States). Besides being a member of the Supervisory Board, Ms Beale is non-

executive director of Crawford & Company Inc., member of the board of Willis Towers Watson and chair of the board of South Pole.

**Robert Jenkins** was appointed to the Supervisory Board on 6 October 2015, which appointment became effective on 2 February 2016. He was reappointed on 28 May 2020 and on 24 May 2024. Mr Jenkins' previous positions include head of trading at various international Citibank offices, CEO of several asset management firms, and a policy-making role at the Bank of England. He has chaired the Investment Association UK, the AQR Asset Management Institute, and CFA Institute. Mr Jenkins holds a Master's degree in International Studies with the focus on International Economics and European Area Studies from The Johns Hopkins University (United States). Besides being a member of the Supervisory Board, Mr Jenkins is a member of the Advisory Council to the Research and Policy Center of the CFA Institute.

**Rob Lelieveld** was appointed to the Supervisory Board on 20 May 2021, which appointment became effective on 1 September 2021. He was appointed pursuant to the enhanced recommendation right of the Central Works Council. Mr Lelieveld's previous positions include chair of the managing board of EY Accountants in the Netherlands and member of the board of directors of EY in the Netherlands. Mr Lelieveld holds a degree in accountancy, but deregistered as a chartered accountant from the register of accountants held by the Koninklijke Nederlandse Beroepsorganisatie van Accountants (NBA) when he left EY in June 2021. Besides being a member of the Supervisory Board, Mr Lelieveld is vice-chair of the supervisory board and chair of the audit committee of the supervisory board of the Mauritshuis (The Hague) and member of the supervisory board of the Netherlands Atlantic Association.

**Cecilia Reyes** was appointed to the Supervisory Board on 20 May 2021. Ms Reyes' previous positions include group Chief Investment Officer and group CRO at Zurich Insurance Group Ltd. In both roles, Ms Reyes was member of the group executive committee until her retirement from the company in February 2018. Ms Reyes holds a Bachelor of Science degree in Management Engineering from Ateneo de Manila University (Philippines), an MBA in Finance from the University of Hawaii (United States), and a PhD in finance from London Business School (United Kingdom). Besides being a member of the Supervisory Board, Ms Reyes serves as managing director of PIONEER Management Services GmbH, non-executive director and member of the audit committee, risk committee, remuneration committee and nominations committee of Beazley plc and non-executive director of RiverStone International Holdings Limited.

**Koos Timmermans** was appointed to the Supervisory Board on 24 May 2024. Mr Timmermans' previous positions include CRO of the Executive Board and CFO at ING Groep N.V. At ING, he was also responsible for the areas of sustainability, international relations and regulatory affairs. Mr Timmermans has a Master's degree in economics from Erasmus University Rotterdam (the Netherlands). Besides being a member of the Supervisory Board, Mr Timmermans is a member of the supervisory boards of PostNL N.V., Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. and Stichting Koningin Wilhelmina Fonds voor de Nederlandse Kankerbestrijding, and chair of the supervisory board of Havenbedrijf Rotterdam N.V.

### **Potential conflicts of interest**

There are no actual or potential conflicts of interests between any duties owed by the members of the Supervisory Board to the Issuer and any private interests or other duties that such person may have. There is no family relationship between any member of the Executive Board, the Management Board or the Supervisory Board.

Conflicting interests are considered to be absent in case of a relationship that a member of the Supervisory Board may have with any subsidiary of the Issuer as an ordinary, private individual, with the exception of any loans that may have been granted.



## TAXATION

### *Dutch Taxation*

The following summary outlines the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant.

For purposes of Dutch tax law, a holder of Securities may include an individual or entity who does not have the legal title of these Securities, but to whom nevertheless the Securities or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Securities or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offering Memorandum, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;
- (iii) Securityholders holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and Securityholders of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with their partner (statutorily defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit-sharing rights in the Issuer;
- (iv) persons to whom the Securities and the income therefrom are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (v) entities which are a resident of Aruba, Curaçao or Sint Maarten and that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Securities are attributable to such permanent establishment or permanent representative; and
- (vi) individuals to whom Securities or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to ‘the Netherlands’ or ‘Dutch’, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

This summary does not describe the consequences of the exchange or conversion of the Securities.



## Withholding Tax

All payments made by the Issuer under the Securities may – except in certain very specific cases as described below – be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, provided that the Securities are considered debt for Dutch corporate income tax purposes and do not in fact function as equity of the Issuer within the meaning of Article 10, paragraph 1, under d of the Dutch Corporate Income Tax Act of 1969 (*Wet op de vennootschapsbelasting 1969*) or as an equity instrument, not being shares (*aandelen*) or profit certificates (*winstbewijzen*) within the meaning of the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*). See also the risk factor under the heading “*Deductibility of payments on the Securities*” and “*Dutch Withholding Tax Act 2021*”.

Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuers if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident in any jurisdiction (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a higher-tier beneficial owner (*achterliggende gerechtigde*) that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that higher-tier beneficial owner would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to them directly, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

## Corporate and Individual Income Tax

### *Residents of the Netherlands*

If a Securityholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Securities and gains realised upon the redemption or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Dutch Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the holder of the Securities, taxable income with regard to the Securities must in principle be determined on the basis of a deemed return on savings

and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (EUR 57,684 in 2025). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The individual's deemed return is calculated by multiplying the individual's yield basis with a 'deemed return percentage' (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2025, the percentage for other investments, which include the Securities, is set at 5.88%.

However, on 6 June 2024 the Dutch Supreme Court (*Hoge Raad*) ruled in a number of cases (i.e. ECLI:NL:HR:2024:704, ECLI:NL:HR:2024:705, ECLI:NL:HR:2024:756, ECLI:NL:HR:2024:771 and ECLI:NL:HR:2024:813) that the current system of taxation in relation to an individual's savings and investments based on a 'deemed return' contravenes with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights if the deemed return applicable to the savings and investments exceeds the actual return in the respective calendar year. In these rulings, the Dutch Supreme Court has also provided guidance for calculating the actual return: (i) all assets that are taxed under the regime for savings and investments are taken into account, and the statutory threshold will not be deducted from the individual's yield basis; (ii) the actual return should be based on a nominal return without considering inflation; (iii) the actual return includes not only benefits derived from assets, such as interest, dividends and rental income, but also positive and negative changes in the value of these assets, including unrealized value changes; (iv) costs are not taken into account for determining the actual return, but interest on debts that are included in the individual's yield basis should be taken into account; and (v) positive or negative returns from previous years are not taken into account.

If the individual demonstrates that the actual return – calculated in accordance with the guidelines of the Dutch Supreme Court – is lower than the deemed return, only the actual return should be taxed under the regime for savings and investments. As of the date of this Offering Memorandum, no legislative changes have been proposed by the Dutch legislator in response to the 6 June 2024 rulings.

The deemed or actual return on savings and investments is taxed at a rate of 36%.

#### *Non-residents of the Netherlands*

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Securities and gains realised upon the redemption or disposal of the Securities, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a

permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities in the Netherlands which include activities with respect to the Securities that exceed regular, active portfolio management, or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. If income derives from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) the actual income derived will not be taxed, yet the fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Dutch yield basis for the calculation of the deemed return on income from savings and investments (as described above under "*Residents of the Netherlands*").

### **Gift and Inheritance Tax**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Security by way of gift by, or on the death of, a Securityholder, unless:

- (i) the Securityholder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### **Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

### **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

### ***Foreign account tax compliance act (FATCA)***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant

to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and the Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

BNP PARIBAS, Citigroup Global Markets Europe AG, Deutsche Bank Aktiengesellschaft, ING Bank N.V., J.P. Morgan SE, Natixis and UniCredit Bank GmbH (the **Joint Lead Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 7 March 2025 agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Securities at the issue price of 100 per cent. of the total principal amount of the Securities, less a management and underwriting commission agreed between the Issuer and the Joint Lead Managers. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

### United States of America

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Terms used in this paragraph and not otherwise defined in the Offering Memorandum have the meanings given to them by Regulation S under the Securities Act (Regulation S).

Each of the Joint Lead Managers has represented, warranted and agreed that it has not offered, sold or delivered, and it will not offer, sell or deliver the Securities (a) as part of its distribution at any time or (b) otherwise until forty (40) calendar days after the later of the commencement of the offering of the Securities and the date of closing of the offering of Securities, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

The Securities are being offered and sold only outside the United States to non-U.S. persons in compliance with Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Securities have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

### EEA

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or
- (ii) a customer within the meaning of Directive 2016/97/EU (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **United Kingdom**

### ***Prohibition of sales to UK Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

### ***Financial Promotion***

Each of Joint Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in an investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Securities only under circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

## **Belgium**

Each Joint Lead Manager has acknowledged that that an offering of Securities may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a Belgian Consumer) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities, directly or indirectly, to any Belgian Consumer.

## **Singapore**

Each Joint Lead Manager has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause

the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (**SFA**)) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with the conditions specified in Section 275 of the SFA.

## **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Joint Lead Manager has represented and agreed that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

Each Joint Lead Manager has represented and agreed and each further Joint Lead Manager appointed under this Offering Memorandum will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued, or had in its possession for the purposes of issue and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO of Hong Kong and any rules made under the SFO.

## **Canada**

The Securities may be sold only to Securityholders purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a Securityholder with remedies for rescission or damages if this Offering Memorandum (including any supplements or amendments thereto) contains a misrepresentation, provided that the remedies for rescission or damages

are exercised by the Securityholder within the time limit prescribed by the securities legislation of the Securityholder's province or territory. The Securityholder should refer to any applicable provisions of the securities legislation of the Securityholder's province or territory for particulars of these rights or consult with a legal advisor.

## **General**

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Offering Memorandum in any country or jurisdiction where action for that purpose is required.

Each Joint Lead Manager has agreed that it shall, to the best of its knowledge and belief in all material respects, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Offering Memorandum.



## GENERAL INFORMATION

1. Application has been made for listing particulars to be approved by Euronext Dublin and for the Securities to be admitted to the Official List and trading on its Global Exchange Market. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU. The estimate of the total expenses related to the admission of the Securities to trading is EUR 5,240.
2. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Offering Memorandum and is not itself seeking admission to the Official List or to trading on the Global Exchange Market of Euronext Dublin.
3. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities. The issue of the Securities was authorised by a resolution of the Executive Board and the Management Board of the Issuer passed on 12 December 2024 and a resolution of the Supervisory Board of the Issuer passed on 30 January 2025.
4. The Securities have been accepted for clearance through Clearstream and Euroclear with the Common Code 296564737. The International Securities Identification Number (ISIN) for the Securities is XS2965647378. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium, the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.
5. There has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2024. There has been no material adverse change in the prospects of the Issuer or of the Group since 31 December 2023.
6. Except as disclosed in “Unit-linked products in the Netherlands” beginning on page 127 and “Argentina” on page 127 of this Offering Memorandum, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Memorandum which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
7. Where information in this Offering Memorandum has been sourced from third parties this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
8. Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Securities has an interest, including conflicting ones, material to the issue of the Securities.
9. The Issuer’s Legal Entity Identifier (LEI) is 724500OHYNDT9OY6Q215.
10. For as long as the Securities are outstanding, the following documents will be available for inspection from <https://www.nn-group.com/investors/nn-group-debt-credit-ratings/nn-group-debt-securities.htm>:
  - (a) this Offering Memorandum;
  - (b) the Agency Agreement;

- (c) the Articles of Association (*statuten*) of the Issuer; and
- (d) each of the Documents Incorporated by Reference.

The Offering Memorandum will be published on the website of Euronext Dublin (<https://live.euronext.com/en/markets/dublin/bonds/list>).

11. KPMG Accountants N.V. (**KPMG**) have issued an unqualified auditor's report on the consolidated annual accounts for the year ended 31 December 2023 and 2022 dated 20 March 2024 and 8 March 2023, respectively. The auditor who signs on behalf of KPMG is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*). The reports of KPMG are incorporated by reference. KPMG has no interest in the Issuer. Any financial data in this Offering Memorandum not extracted from the audited accounts of the Issuer is based on internal records of the Issuer or external sources believed by the Issuer to be reliable, and is unaudited.
12. The (annualised semi-annual) yield of the Securities, calculated from the Issue Date to the First Reset Date and assuming no cancellation of interest payments, on the basis of the Issue Price is 5.833 per cent. per annum. It is not an indication of future yield.
13. At the date of this Offering Memorandum the Issuer has only one class of preference shares. In order for there to be different classes of preference shares with different rankings on a winding-up, the articles of association of the Issuer would need to be amended.
14. Any website referred to in this Offering Memorandum does not form part of this Offering Memorandum except as specifically provided otherwise.
15. The Issuer has an issuer credit rating from (i) S&P of A- and (ii) Fitch of A+. S&P and Fitch are established in the European Union and are registered under Regulation (EC) No 1060/2009 (the **CRA Regulation**). A credit rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn by the relevant rating agency if, in its judgement, circumstances in the future so warrant.
16. Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities. Any such positions could adversely affect future trading prices of Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research

views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

17. The Bank of New York Mellon, London Branch is acting as Fiscal Agent, Paying Agent and Calculation Agent exclusively for the Issuer and no one else in connection with the offer and will not be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided in the Agency Agreement. It will not regard any other person (whether or not a recipient of the Offering Memorandum) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the issue of the offer or any transaction or arrangement referred to herein.

## DEFINITIONS

The following definitions are used throughout this Offering Memorandum:

<b>1996 Agreement</b>	the agreement between NN, NNIS, NNOFIC and the ILU, under which NN and NNIS agreed to procure a letter of credit in favour of the ILU as to liabilities of Orion and/or L&O in respect of any or all contracts of insurance or reinsurance evidenced by policies signed and issued by the ILU (i) on behalf of Orion with inception dates on or after 28 August 1970 and/or (ii) on behalf of L&O with inception dates on or after 20 March 1969 (qualifying ILU policies)
<b>2009 Restructuring Plan</b>	the restructuring plan submitted to the EC by ING Group in October 2009 as approved by the EC in November 2009
<b>2012 Restructuring Plan</b>	the amended 2009 Restructuring Plan as approved by the EC in November 2012
<b>2013 Restructuring Plan</b>	the amended 2012 Restructuring Plan as approved by the EC in November 2013
<b>2022 Annual Report</b>	the Issuer's annual report for the financial year ended 31 December 2022
<b>2022 Financial Statements</b>	the audited consolidated annual accounts for the financial year ended 31 December 2022
<b>2023 Annual Report</b>	the Issuer's annual report for the financial year ended 31 December 2023
<b>2023 Financial Statements</b>	the audited consolidated annual accounts for the financial year ended 31 December 2023
<b>2024 Interim Accounts</b>	the 30 June 2024 condensed consolidated interim financial information, including the independent auditor's review report dated 14 August 2024 on pages 46-48
<b>ABS</b>	asset-backed securities
<b>AFM</b>	the Dutch Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
<b>AIFMD</b>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 and the implementing measures by the EC thereunder (Alternative Investment Fund Managers Directive)
<b>Amending Scheme of Arrangement</b>	the amendment to the Original Scheme of Arrangement
<b>APE</b>	annual premium equivalent, calculated as the total amount of recurring premiums from new business plus 10% of the

	total amount of single premiums on business written during the year
<b>ARPFE</b>	Act on Remuneration Policies in Financial Enterprises ( <i>Wet beloningsbeleid financiële ondernemingen</i> )
<b>Articles of Association</b>	the articles of association of the Issuer
<b>AuM</b>	assets under management
<b>Basel II</b>	revised regulatory capital framework published by the Basel Committee on Banking Supervision 2006
<b>Basel III Reforms</b>	finalised regulatory capital framework for more resilient banks and banking systems which was implemented in the EEA through CRD IV, as published on 7 December 2017 (informally also referred to as Basel IV)
<b>CEE</b>	Central and Eastern Europe
<b>CEO</b>	chief executive officer
<b>CFO</b>	chief financial officer
<b>Clearstream, Luxembourg</b>	Clearstream Banking, S.A.
<b>COBS</b>	FCA Handbook Conduct of Business Sourcebook
<b>CPLA</b>	claims payment loan agreement
<b>CRD III</b>	Directive 2010/76/EU of the European Parliament and of the Council of 24 November 2010
<b>CRD IV</b>	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 and Regulation EU No. 575/2013 of the European Parliament and of the Council of 26 June 2013
<b>CRO</b>	chief risk officer
<b>CZ</b>	Onderlinge Waarborgmaatschappij CZ groep Zorgverzekeraar U.A.
<b>De Nederlanden</b>	<i>Assurantie Maatschappij tegen Brandschade N.V.</i> , later renamed to <i>De Nederlanden van 1845 N.V.</i>
<b>Delta Lloyd</b>	Delta Lloyd N.V., which is merged into NN Group Bidco B.V. as of 1 June 2017 and into NN Group N.V. as of 31 December 2017
<b>Delta Lloyd Non-Life</b>	Delta Lloyd Schadeverzekering N.V., which is merged into NN Non-Life as of 1 January 2019
<b>DNB</b>	the Dutch Central Bank ( <i>De Nederlandsche Bank N.V.</i> )

<b>Dutch Financial Supervision Act</b>	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ) and the rules and regulations promulgated thereunder
<b>D&amp;A</b>	disability and accident
<b>EC</b>	European Commission
<b>ECB</b>	European Central Bank
<b>EC Restructuring Plan</b>	the 2009 Restructuring Plan, together with the 2012 and 2013 Restructuring Plans
<b>EEA</b>	European Economic Area
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EU</b>	European Union
<b>EU Action Plan on Sustainable Finance</b>	Communication from the European Commission dated 8 March 2018 on Action Plan: Financing Sustainable Growth
<b>EU Banking Reforms</b>	the comprehensive package of banking reforms to CRD IV, CRR, the BRRD II and the SRM, including measures to increase the resilience of EU institutions and enhance financial stability, proposed by the European Commission on 23 November 2016
<b>EU Benchmarks Regulation</b>	Regulation (EU) No. 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
<b>EUR or euro or €</b>	the currency of the European Monetary Union
<b>Euroclear</b>	Euroclear Bank SA/NV
<b>Euronext</b>	Euronext Amsterdam N.V.
<b>Euronext Amsterdam</b>	Euronext in Amsterdam
<b>EUWA</b>	European Union (Withdrawal) Act 2018
<b>Executive Board</b>	the executive board ( <i>raad van bestuur</i> ) of the Issuer
<b>FATCA</b>	Foreign Account Tax Compliance Act
<b>FIEA</b>	Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended)
<b>Fitch</b>	Fitch Ratings Ireland Limited
<b>FSMA</b>	Financial Services and Markets Act 2000

<b>General Meeting</b>	the general meeting of shareholders of the Issuer
<b>Group</b>	the Issuer and its subsidiaries
<b>G-SIFI</b>	global systemically important financial institution
<b>G-SII</b>	global systemically important issuer
<b>GWP</b>	gross written premiums; total premiums (whether or not earned) for insurance contracts written or assumed during a specific period, without deduction for premiums ceded
<b>IAIG</b>	Internationally Active Insurance Group
<b>IAIS</b>	International Association of Insurance Supervisors
<b>IASB</b>	International Accounting Standards Board
<b>ICAAP</b>	internal capital adequacy assessment process
<b>ICS</b>	risk-based global insurance capital standard
<b>ICSDs</b>	Euroclear and Clearstream, Luxembourg
<b>IDD</b>	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 (Insurance Distribution Directive)
<b>IFRS</b>	International Financial Reporting Standards as adopted by the EU
<b>IGA</b>	intergovernmental agreement
<b>ILU</b>	the Institute of London Underwriters
<b>ING</b>	ING Group and its subsidiaries (including ING Bank and excluding NN)
<b>ING Bank</b>	ING Bank N.V. and its subsidiaries and branches
<b>ING Groep</b>	ING Group N.V.
<b>ING Insurance Eurasia</b>	ING Insurance Eurasia N.V., which is renamed to NN Insurance Eurasia N.V.
<b>ING Pension Fund</b>	the Dutch ING pension fund ( <i>Stichting Pensioenfonds ING</i> )
<b>ING U.S.</b>	Voya Financial, Inc., until 7 April 2014 known as ING U.S., Inc.
<b>INGV</b>	ING Verzekeringen N.V.

<b>Issuer</b>	NN Group N.V., formerly known as ING Insurance Topholding N.V., which company merged with ING Verzekeringen N.V. on 1 March 2014
<b>IRS</b>	U.S. Internal Revenue Service
<b>IT</b>	information technology
<b>Joint Scheme Administrators</b>	the joint scheme administrators in the provisional liquidation of each of Orion and L&O
<b>L&amp;O</b>	The London and Overseas Insurance Company PLC, which has subsequently been renamed London and Overseas Insurance Company Limited
<b>Member State</b>	a member state of the EU
<b>MiFID</b>	Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 (Markets in Financial Instruments Directive)
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (Markets in Financial Instruments Directive II)
<b>MiFIR</b>	Regulation (EU) No. 600/2014 of the European Parliament and of the Council of 15 May 2014 (Markets in Financial Instruments Regulation)
<b>Moody's</b>	Moody's Investors Service Ltd.
<b>MREL</b>	minimum requirements for own funds and eligible liabilities
<b>Nationale</b>	Nationale Levensverzekering-Bank N.V.
<b>Nationale-Nederlanden Spain</b>	Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A. and Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.
<b>NN</b>	the Issuer and its subsidiaries
<b>NN Bank</b>	Nationale-Nederlanden Bank N.V. and its subsidiaries
<b>NN Belgium</b>	NN Insurance Belgium NV and NN Insurance Services Belgium NV
<b>NN Czech Republic</b>	NN Životní pojišťovna N.V., pobočka pro Českou republiku (Czech Branch of Nationale-Nederlanden Levensverzekering Maatschappij N.V. in the Netherlands), NN Životná poisťovňa, a.s., pobočka pro Českou republiku (a branch of NN Životná poisťovňa, a.s. in Slovak Republic) and NN Penzijní společnost, a.s.



<b>NN Bidco</b>	NN Group Bidco B.V.
<b>NN Group</b>	NN Group N.V.
<b>NN Hungary</b>	NN Biztosító Zártkörűen Működő Részvénytársaság
<b>NN Investment Partners</b>	NN Investment Management Holdings N.V. and its subsidiaries
<b>NN Japan</b>	NN Life Insurance Company, Ltd.
<b>NN Life</b>	Nationale-Nederlanden Levensverzekering Maatschappij N.V.
<b>NN Non-Life</b>	Nationale-Nederlanden Schadeverzekering Maatschappij N.V.
<b>NN Re</b>	NN's reinsurance business, as conducted by NN Re (Netherlands) N.V.
<b>NNIS</b>	Nationale-Nederlanden Internationale Schadeverzekering N.V. (a subsidiary of the Issuer which has since merged with a UK subsidiary of the Issuer, creating Nationale-Nederlanden Internationale Schadeverzekering S.E.)
<b>NNOFIC</b>	Nationale-Nederlanden Overseas Finance and Investment Company (a UK subsidiary of the Issuer)
<b>Nomination and Governance Committee</b>	the nomination and corporate governance committee of the Supervisory Board
<b>NRA</b>	national resolution authority
<b>OCG</b>	means Operating Capital Generation and 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
<b>Offering Memorandum</b>	this offering memorandum dated 7 March 2025
<b>Opinion</b>	EIOPA's Opinion on the 2020 Review of Solvency II dated 17 December 2020
<b>Original Scheme of Arrangement</b>	the creditor's scheme of arrangement in relation to each of Orion and L&O, which became effective in 1997

<b>Orion</b>	Orion Insurance Company PLC, which has subsequently been renamed OIC Run-Off Limited
<b>ORSA</b>	own risk and solvency assessment
<b>OTC</b>	over-the-counter
<b>Preference Shares</b>	the preference shares in the capital of the Issuer with a nominal value of EUR 0.12 each
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129
<b>P&amp;C</b>	property and casualty
<b>Partial Internal Model</b>	a method of calculating the SCR that combines a standard formula and an approved, internally developed internal model
<b>qualifying ILU policies</b>	contracts of insurance or reinsurance evidenced by policies signed and issued by the ILU (i) on behalf of Orion with inception dates on or after 28 August 1970 and/or (ii) on behalf of L&O with inception dates on or after 20 March 1969
<b>Recovery and Resolution Directive</b>	Directive 2014/59/EC of the European Parliament and of the Council of 15 May 2014 (as amended)
<b>Regulation S</b>	Regulation S under the U.S. Securities Act
<b>Remuneration Committee</b>	the remuneration committee of the Supervisory Board
<b>Risk Committee</b>	the risk committee of the Supervisory Board
<b>ROE</b>	Return On Equity
<b>S&amp;P</b>	S&P Global Ratings Europe Limited
<b>SCR</b>	solvency capital requirements
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
<b>Share</b>	share in the capital of the Issuer
<b>Shareholder</b>	a holder of at least one Share
<b>SME</b>	small- or medium-sized enterprise
<b>Solvency II</b>	revised European regulatory framework for the prudential supervision of insurance companies, reinsurance companies and insurance holding companies, as laid down in the Solvency II Directive

<b>Solvency II Directive</b>	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 and the implementing measures by the EC thereunder, as amended
<b>SPVA</b>	single premium variable annuity
<b>Supervisory Board</b>	the supervisory board ( <i>raad van commissarissen</i> ) of the Issuer
<b>UCITS</b>	Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC and the implementing measures by the EC thereunder, as amended
<b>UFR</b>	ultimate forward rate
<b>UK CRA Regulation</b>	Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA
<b>UK MiFIR</b>	Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA
<b>UK MiFIR Product Governance Rules</b>	FCA Handbook Product Intervention and Product Governance Sourcebook
<b>UK PRIIPS Regulation</b>	Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or U.S.</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>USD</b>	United States dollar
<b>U.S. Securities Act</b>	the United States Securities Act of 1933, as amended
<b>VA</b>	variable annuity
<b>VIVAT Non-Life</b>	Vivat Schadeverzekeringen N.V.
<b>Works Council</b>	the Issuer's works council
<b>WUB</b>	WestlandUtrecht Bank N.V.

## GLOSSARY OF INSURANCE AND INVESTMENT MANAGEMENT TERMS

<b>annuity</b>	a contract between an annuitant and an insurance company, under which the annuitant makes a lump sum payment or a series of payments; in return, the insurer agrees to make periodic payments to the annuitant beginning immediately or at some future date
<b>asset-backed securities; ABS</b>	a type of bond or note that is based on pools of assets, or collateralised by the cash flows from a specified pool of underlying assets
<b>bancassurance</b>	insurance companies using a bank's distribution network, including branches, call centres, financial centres and internet platforms to reach customers and distribute their products
<b>brokers</b>	companies (traditional broker companies as well as product comparison websites) that offer a variety of products from a wide range of insurance companies; the advisory services are more standardised and usually based on the cross-product comparison of certain characteristics
<b>cede; ceding insurer; cession</b>	when an insurer reinsures its risk with another insurer (a "cession"), it "cedes" business and is referred to as the "ceding insurer"
<b>claim</b>	a demand made by the insured, or the insured's beneficiary, for payment of the benefits as provided by the policy
<b>closed block</b>	the block of business is closed, meaning the insurer no longer writes new business although existing policies within the closed block remain in effect (and the insurer may continue to collect premiums) until they run off
<b>defined benefit</b>	a pension plan where specified benefits are accrued that equal a certain percentage of the insured's "pensionable income" for each year that the insured participates in the plan; after the pension date, the insured will receive a predetermined fixed annuity, including or excluding corrections for inflation
<b>defined contribution</b>	a pension plan where specified contributions are paid into an account for the insured and then invested, with returns credited to the employee's account; upon termination of the plan, the balance of the employee's account is used to purchase an annuity
<b>direct channel</b>	distribution through proprietary channels of insurance companies and banks, respectively (e.g. online platforms, call centres, in-house advisers)

<b>economic capital</b>	the minimum amount of capital that is required to absorb unexpected losses in times of severe stress; for NN the economic capital is calculated based on a confidence level of 99.5 per cent., which is aligned with the Solvency II Directive
<b>general account</b>	the assets of an insurance company that support its insurance and other obligations (excluding unit-linked (separate account) obligations)
<b>independent agent</b>	advisers that sell products from more than one insurer, taking into account product characteristics and the supplier when helping a customer choose; compensation is based on fees and/or commissions
<b>intermediaries</b>	independent intermediaries through which life and non-life insurance products and pension funds are distributed, which include independent agents, actuarial consulting firms, brokers and mandated brokers; for the avoidance of doubt, each type of intermediary may not be used in each geographical market
<b>loss</b>	an injury, harm, damage or financial detriment that a person sustains; losses may be covered, limited or excluded from coverage, depending on the terms of the policy
<b>mandated broker</b>	a company offering insurance policies under its own brand with a mandate from an insurance company to underwrite policies; however, the insurance company bears the risk related to the issued policies
<b>recurring premium</b>	an insurance policy where the policyholder makes periodic payments
<b>reinsurance</b>	the practice whereby one insurer, called the reinsurer, in consideration for premiums received, agrees to indemnify the reinsured or ceding insurer for part or all of the liability assumed by the reinsured under a contract or contracts of insurance which the reinsured has issued; the legal rights of the insured generally are not affected by the reinsurance transaction, and the insurance enterprise issuing the insurance contract remains liable to the insured for payment of policy benefits
<b>reserves</b>	liabilities established by insurers and reinsurers to reflect the estimated cost of claims payments and benefits payments and the related expenses that the insurer or reinsurer will ultimately be required to pay in accordance with the insurance or reinsurance it has written
<b>retention</b>	the amount or portion of risk which a ceding insurer retains for its own account; losses and loss expenses paid by the

ceding insurer in excess of the retention level are then reimbursed to the insurer by the reinsurer; in proportional insurance, the retention may be a percentage of the original policy's limit; in non-proportional insurance, the retention is an amount of loss, a loss ratio or a percentage

**separate account**

an investment account established and maintained by an insurer to which funds have been allocated for certain insurance policies or contracts of the insurer. The income, gains and losses realised from assets allocated to the account are, in accordance with the insurance policies or contracts, credited to or charged against the account without regard to other income, gains or losses of the insurer or the insurer's other separate accounts. Separate accounts cannot generally be charged with the liabilities of the general account. The policyholders bear all of the investment risk for these products

**single premium**

an insurance policy where the policyholder pays a single, one-off premium

**surrender**

many life insurance products permit the insured to withdraw a portion or all of the cash surrender value of the contract; future benefits are reduced accordingly

**term life insurance**

life insurance protection for a limited period which expires without maturity value if the insured survives the period specified in the policy

**tied agent**

adviser that sells insurance contracts exclusively for one specific insurance company, with his payment predominantly based on commissions

**traditional life insurance**

life insurance where claims paid consist of a predetermined amount, sometimes supplemented by a profit-sharing arrangement

**underwriting**

the process whereby an insurer or reinsurer reviews applications submitted for insurance or reinsurance coverage and determines whether it will provide all or part of the coverage being requested for an agreed premium

## **REGISTERED OFFICE OF THE ISSUER**

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