NN Group N.V.
30 June 2022
Condensed consolidated interim financial information

Condensed consolidated interim financial information contents

Interim report

Overview

NN Group N.V.

Profile, values, strategy

NN Group is an international financial services company, active in 11 countries, with a strong presence in a number of European countries and Japan. With all its employees, the Group provides retirement services, pensions, insurance, banking and investments to approximately 18 million customers. NN Group includes Nationale-Nederlanden, NN, ABN AMRO Insurance, Movir, AZL, BeFrank OHRA and Woonnu. NN Group is listed on Euronext Amsterdam (NN).

NN Group is committed to do business in a way that is consistent with its values: care, clear, commit. NN Group is committed to resilient and growing long-term capital generation and cash flows for shareholders. NN Group has a clear ambition to achieve sustainable value creation for all stakeholders through disciplined capital deployment whilst remaining resilient during volatile financial markets.

More information about NN Group's business model, values and performance is available on www.nn-group.com and in the NN Group Annual Report.

Interim dividend 2022

NN Group will pay an interim dividend of EUR 1.00 per ordinary share, or approximately EUR 294 million in total based on the current number of outstanding shares (net of treasury shares). The interim dividend will be paid either fully in cash, after deduction of withholding tax if applicable, or fully in ordinary shares, at the election of the shareholders. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the value of the stock dividend.

Final dividend 2021

On 19 May 2022, the General Meeting adopted the proposed final dividend of EUR 1.56 per ordinary share, or approximately EUR 476 million in total based on the current number of outstanding shares (net of treasury shares). Together with the 2021 interim dividend of EUR 0.93 per ordinary share paid in September 2021, NN Group's total dividend for 2021 was EUR 2.49 per ordinary share. The final dividend was paid in cash, after deduction of withholding tax if applicable, or ordinary shares, at the election of the shareholder. Dividends paid in the form of ordinary shares were delivered from NN Group treasury shares. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the value of the stock dividend. The cash dividend was distributed out of Other reserves.

Changes to the Supervisory Board

At the annual general meeting of shareholders on 19 May 2022 David Cole and Hans Schoen were reappointed as member of the Supervisory Board. Pauline van der Meer Mohr will be appointed as member of the Supervisory Board as of 1 January 2023. Heijo Hauser and Clara Streit stepped down as members of the Supervisory Board as per 19 May 2022.

Interim report continued

Analysis of results
NN Group N.V.

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Netherlands Life	552	520
Netherlands Non-life	127	189
Insurance Europe	176	161
Japan Life	130	156
Asset Management[1]	38	91
Banking	48	79
Other	-88	-76
Operating result	**983**	**1,119**
Non-operating items:	277	719
– of which gains/losses and impairments	268	684
– of which revaluations	-455	40
– of which market and other impacts	465	-6
Special items	-59	-47
Acquisition intangibles and goodwill	-16	-11
Result on divestments	1,062	
Result before tax	**2,248**	**1,780**
Taxation	234	355
Minority interests	7	11
Net result	**2,006**	**1,414**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
New sales life insurance (APE)	811	743
Value of new business	254	242
Total administrative expenses	1,068	1,079
Operating capital generation	899	780

	30 June 2022	31 December 2021
Solvency II ratio[2]	196%	213%

1 Following the sale of NN IP on 11 April 2022, the 1H22 numbers reported for Asset Management reflect the results for the first quarter of 2022.
2 The solvency ratios are not final until filed with the regulators. The Solvency II ratio for NN Group is based on the partial internal model.

Note: Operating result is an Alternative Performance Measure. This measure is derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, the amortisation of acquisition intangibles, discontinued operations and special items, gains/losses and impairments, revaluations and market and other impacts. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the Note 17 'Segments' in section 'Alternative Performance Measures (Non-GAAP measures)'.

Operating result
Operating result decreased to EUR 983 million from EUR 1,119 million in the first half of 2021, which benefited from EUR 24 million of private equity dividends, while the current period includes the results of Asset Management for one quarter following the sale of NN IP in April 2022. The lower operating result reflects lower results at Netherlands Non-life, Banking and Japan Life, partly compensated by higher results at Netherlands Life and Insurance Europe.

The operating result of Netherlands Life was EUR 552 million compared with EUR 520 million in the first half of 2021, reflecting higher fees and premium-based revenues, lower administrative expenses and a higher investment margin.

The operating result of Netherlands Non-life decreased to EUR 127 million from EUR 189 million in the first half of 2021, reflecting lower underwriting results in P&C due to the February storm, partly offset by favourable claims development on prior accident years in P&C as well as higher underwriting results in D&A. The combined ratio was 96.1% versus 92.0% in the first half of 2022.

Interim report continued

The operating result of Insurance Europe increased to EUR 176 million from EUR 161 million in the first half of 2021, up 9.3% on a constant currency basis. This reflects higher life fees across the region, a higher technical margin as well as a positive contribution from one quarter of the acquired MetLife business in Greece. This was partly offset by higher DAC amortisation and trail commissions and higher administrative expenses.

The operating result of Japan Life decreased to EUR 130 million from EUR 156 million in the first half of 2021, mainly reflecting lower fees and premium-based revenues and a lower technical margin, partly offset by a higher investment margin and lower expenses. Excluding currency effects, the operating result decreased by 14.7%.

The operating result of Asset Management was EUR 38 million reflecting the results for the first quarter of the year, following the sale of NN IP in April 2022.

The operating result of Banking decreased to EUR 48 million from EUR 79 million in the first half of 2021, mainly due to lower operating income and higher total expenses.

The operating result of the segment Other was EUR -88 million versus EUR -76 million in the first half of 2021, mainly due to a lower operating result of the reinsurance business.

Result before tax

The result before tax increased to EUR 2,248 million from EUR 1,780 million in the first half of 2021, mainly driven by the gain on sale of NN IP, partly offset by lower non-operating items and the lower operating result.

Gains/losses and impairments were EUR 268 million compared with EUR 684 million in the first half of 2021. The current period mainly reflects capital gains on the sale of debt securities and public equities, partly offset by impairments on equities and debt securities.

Revaluations amounted to EUR -455 million versus EUR 40 million in the first half of 2021. The first half of 2022 includes negative revaluations of derivatives used for hedging purposes mainly reflecting accounting asymmetries following an increase in interest rates, partly offset by positive revaluations on real estate and private equity.

Market and other impacts amounted to EUR 465 million compared with EUR -6 million in the first half of 2021, mainly reflecting movements in the provision for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging) at Netherlands Life.

Special items amounted to EUR -59 million compared with EUR -47 million in the first half of 2021, mainly reflecting higher project expenses.

Acquisition intangibles and goodwill amounted to EUR -16 million versus EUR -11 million in the first half of 2021.

Result on divestments of EUR 1,062 million reflects the gain on sale of NN IP.

Net result

The net result in the first half of 2022 increased to EUR 2,006 million from EUR 1,414 million in the first half of 2021. The effective tax rate in the first half of 2022 was 10.4%, reflecting the tax-exempt gain on the sale of NN IP as well as a relatively low tax charge on the investment income, mainly due to tax-exempt dividends, capital gains and revaluations in the Netherlands.

Sales and Value of New Business

Total new sales (APE) were EUR 811 million, up 11.5% from the first half of 2021 on a constant currency basis. New sales at Netherlands Life were EUR 290 million compared with EUR 168 million in the first half of 2021, mainly driven by a higher volume of group pension contracts. At Japan Life, new sales decreased to EUR 159 million from EUR 195 million in the first half of 2021, reflecting lower sales of COLI Financial Solutions products, as well as negative currency impacts. New sales at Insurance Europe decreased 1.9% on a constant currency basis to EUR 363 million from EUR 380 million in the first half of 2021, which benefited from a group contract renewal in Spain.

Value of new business was EUR 254 million, up from EUR 242 million in the first half of 2021, driven by the increase in Netherlands Life following a higher volume of group pension contracts. This was partly offset by lower value of new business at Insurance Europe due to the discounting effect of higher interest rates as well as model and assumption changes, partly compensated by an improved business mix. The lower value of new business of Japan Life is due to negative currency impacts while lower COLI Financial Solutions sales were partly compensated by an improved margin as a result of repricing and higher investment income.

Capital management

Solvency II

	30 June 2022	31 December 2021
Basic Own Funds	19,897	22,021
Non-available Own Funds	1,404	1,094
Eligible Own Funds to cover Solvency Capital Requirements (a)	**18,493**	**20,927**
– of which Tier 1 unrestricted	11,627	13,377
– of which Tier 1 restricted	1,788	1,875
– of which Tier 2	2,287	2,422
– of which Tier 3	973	848
– of which non-Solvency II regulated entities	1,818	2,404
Solvency Capital Requirements (b)	**9,455**	**9,840**
– of which from Solvency II entities	8,182	8,506
– of which from non-Solvency II entities	1,273	1,334
NN Group Solvency II ratio (a/b)[1]	**196%**	**213%**

1 The solvency ratio is not final until filed with the regulators. The Solvency II ratio for NN Group is based on the partial internal model.

The NN Group Solvency II ratio decreased to 196% from 213% at the end of 2021. The EUR 1.3 billion capital return to shareholders, consisting of EUR 1 billion share buyback programmes and the 2022 interim dividend of EUR 294 million, the adverse market impacts and other movements, including the impact of the reduction of the UFR to 3.45% were only partly compensated by the strong operating capital generation as well as the net positive impact from the sale of NNIP and the acquisition of MetLife's businesses in Greece and Poland. Market impacts mainly reflect negative equity revaluations, changes in credit spreads and an increase in interest rates, partly offset by flattening of the longer end of the interest rate curve. The negative impact of mortgage spread widening was partly offset by the positive impact of increasing corporate bond spreads and the corresponding change of the volatility adjustment. After 30 June 2022, we continue to see elevated market volatility as equity markets increased, corporate spreads tightened, while mortgage spreads further widened as most providers have not yet adjusted client rates following a decrease in interest rates. The potential impact of market volatility on our Solvency II ratio is reflected in our sensitivities.

NN Group has ample financial flexibility given its remaining tiering capacity of EUR 1.2 billion in Restricted Tier 1 and EUR 0.9 billion in Tier 2 and 3 capital.

Operating capital generation

	1 January to 30 June 2022	1 January to 30 June 2021
Investment return	702	647
Life - UFR drag	-318	-431
Life - Risk margin release	165	204
Life - Experience variance	71	3
Life - New business	102	79
Non-life underwriting	95	129
Non-Solvency II entities (Asset Management, Japan Life, Banking, Other[1])	192	234
Holding expenses and debt costs	-144	-140
Change in SCR	35	55
Operating capital generation	**899**	**780**

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Operating capital generation per segment

	1 January to 30 June 2022	1 January to 30 June 2021
Netherlands Life	580	395
Netherlands Non-life	144	162
Insurance Europe	198	182
Japan Life	74	57
Asset Management[2]	31	67
Banking	11	55
Other (Including held for sale)	-140	-136
Operating capital generation	**899**	**780**

1 Other comprises CEE pension funds as well as broker and services companies.
2 Following the sale of NN IP on 11 April 2022, the 1H22 numbers reported for Asset Management reflect the results for the first quarter of 2022.

Operating capital generation increased to EUR 899 million from EUR 780 million in the first half of 2021. The increase is mainly driven by the lower net negative impact of the UFR drag and the risk margin release as a result of higher interest rates as well as a higher Life experience variance mostly driven by favourable portfolio developments at Netherlands Life and Insurance Europe. The increase also reflects a higher investment return mainly as a result of positive real estate revaluations and higher interest rates. The lower contribution from Non-Solvency II entities mainly reflects a lower contribution from Asset Management which reflects one quarter of results due to the divestment of NN IP in April as well as a lower contribution from Banking mainly reflecting a higher RWA following mortgage portfolio growth, a lower portion of state-guaranteed (NHG) mortgages as well as lower income. This was partly offset by a positive contribution from Japan Life which mainly reflects a higher investment return and a lower new business strain. The lower Netherlands Non-life underwriting result reflects the impact of the storm in February, partly compensated by favourable results on prior accident years as well as higher underwriting results in D&A.

Cash capital position at the holding company

	30 June 2022	31 December 2021
Cash capital position — opening balance	1,998	1,170
Remittances from subsidiaries[1]	960	1,835
Capital injections into subsidiaries[2]	-5	-19
Other[3]	-219	-344
Free cash flow to the holding[4]	**735**	**1,472**
Cash divestment proceeds	1,626	76
Acquisitions	-524	-358
Capital flow from/to shareholders	-768	-960
Increase/decrease in debt and loans	-600	597
Cash capital position — closing balance	**2,467**	**1,998**

1 Includes interest on subordinated loans provided to subsidiaries by the holding company.
2 Includes the change of subordinated loans provided to subsidiaries by the holding company.
3 Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
4 Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding acquisitions, divestments and capital transactions with shareholders and debtholders.

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

The cash capital position at the holding company increased to EUR 2,467 million from EUR 1,998 million at the end of 2021. The increase mainly reflects EUR 1,626 million of proceeds from the sale of NN IP and EUR 960 million of remittances from subsidiaries. This is partly offset by EUR 768 million of capital flows to shareholders, the repayment of EUR 600 million senior notes that matured on 18 March 2022, EUR 524 million paid for acquisitions mainly reflecting the acquisition of MetLife's businesses in Poland and Greece, as well as other movements of EUR 219 million that include holding company expenses, interest on loans and debt and other holding company cash flows. Capital flows to shareholders comprise the 2021 final cash dividend of EUR 251 million and the repurchase of EUR 517 million of own shares.

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Financial leverage

	30 June 2022	31 December 2021
Shareholders' equity	19,920	32,888
Adjustment for revaluation reserves[1]	795	-11,730
Minority interests	216	266
Capital base for financial leverage (a)	**20,930**	**21,424**
– Undated subordinated notes[2]	1,764	1,764
– Subordinated debt	2,343	2,356
Total subordinated debt	**4,107**	**4,120**
Debt securities issued	1,693	2,292
Financial leverage (b)	**5,800**	**6,412**
Total debt	**5,800**	**6,412**
Financial leverage ratio (b/(a+b))	21.7%	23.0%
Fixed-cost coverage ratio[3]	18.8x	19.9x

1 Includes revaluations on debt securities, on the cash flow hedge reserve and on the reserves crediting to life policyholders.
2 The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio.
3 The fixed-cost coverage ratio measures the ability of NN Group to pay its fixed financing expenses and is defined as the earnings before interest and tax (EBIT) divided by interest before tax on financial leverage; calculated on a last 12-months basis. Special items, revaluations on derivatives that are non-eligible for hedge accounting, market and other impacts, amortisation of acquisition intangibles are excluded from EBIT. The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio.

The financial leverage ratio of NN Group was 21.7% at the end of the first half of 2022 compared with 23.0% at the end of 2021. This reflects a decrease of the financial leverage due to the repayment of EUR 600 million senior notes that matured on 18 March 2022, partly offset by the decrease of the capital base for financial leverage. The decrease of the capital base is mainly due to capital flows to shareholders for an amount of EUR 768 million and negative equity revaluations, partly offset by the first half-year net result of EUR 2,006 million.

The fixed-cost coverage ratio was 18.8x at the end of the first half of 2022 versus 19.9x at the end of 2021 (on a last 12-months basis).

Credit ratings

On 18 May 2022, Standard & Poor’s revised its outlooks on the core operating entities of NN Group and on the holding company NN Group N.V. to positive from stable and affirmed NN Group’s ‘A’ financial strength rating and ‘BBB+’ credit rating.

On 29 June 2022, Fitch Ratings published a report affirming NN Group’s ‘AA-’ financial strength rating and ‘A+’ credit rating with a stable outlook.

	Financial Strength Rating	NN Group N.V. Counterparty Credit Rating
Standard & Poor's	A	BBB+
	Positive	Positive
Fitch	AA-	A+
	Stable	Stable

Interim report continued

Segments

Netherlands Life

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Investment margin	502	494
Fees and premium-based revenues	203	192
Technical margin	76	74
Operating income	**781**	**760**
Administrative expenses	215	225
DAC amortisation and trail commissions	14	16
Total expenses	**229**	**241**
Operating result	**552**	**520**
Non-operating items:	254	661
– of which gains/losses and impairments	309	661
– of which revaluations	-586	-7
– of which market and other impacts	531	7
Special items	-14	-6
Result before tax	**792**	**1,174**
Taxation	124	204
Minority interests	4	-2
Net result	**664**	**972**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
New sales life insurance (APE)	290	168
Value of new business	44	15
Administrative expenses	215	225
Operating capital generation	580	395

	30 June 2022	31 December 2021
NN Life Solvency II ratio[1]	187%	219%

1 The solvency ratio is not final until filed with the regulators. The Solvency II ratio for NN Life is based on the partial internal model.

The operating result was EUR 552 million compared with EUR 520 million in the first half of 2021, reflecting higher fees and premium-based revenues, lower administrative expenses and a higher investment margin.

The investment margin increased to EUR 502 million compared with EUR 494 million in the first half of 2021. The first half of 2021 benefited from special dividends of EUR 24 million, whereas the same period this year does not include such dividends. The current half-year reflects the impact of higher income following the optimisation of the investment portfolio.

Fees and premium-based revenues increased to EUR 203 million from EUR 192 million in the first half of 2021, reflecting higher fees on higher average Assets under Management for the defined contribution portfolio. This is partly offset by lower fees and premium-based revenues from the run-off of the individual life closed book.

The technical margin increased to EUR 76 million from EUR 74 million in the first half of 2021.

Administrative expenses decreased to EUR 215 million from EUR 225 million in the first half of 2021, mainly driven by lower staff expenses.

DAC amortisation and trail commissions decreased to EUR 14 million from EUR 16 million in the first half of 2021.

The result before tax decreased to EUR 792 million from EUR 1,174 million in the first half of 2021, due to lower non-operating items mainly reflecting lower revaluations and lower gains/losses and impairments, partly compensated by higher market and other impacts and the higher operating result.

Gains/losses and impairments decreased to EUR 309 million in the first half of 2022 from EUR 661 million in the same period last year, mainly due to lower capital gains on the sale of public equities and bonds.

Revaluations were EUR -586 million compared with EUR -7 million in the first half of 2021, mainly driven by negative revaluations on derivatives used for hedging purposes reflecting accounting asymmetries following an increase of interest rates, partly compensated by positive revaluations on real estate and private equity.

Market and other impacts were EUR 531 million versus EUR 7 million in the first half of 2021, mainly reflecting movements in the provisions for guarantees on unit-linked, separate account pension contracts and inflation-linked liabilities (all net of hedging).

New sales (APE) increased to EUR 290 million from EUR 168 million in the first half of 2021, driven by a higher volume of group pension contracts.

The value of new business increased to EUR 44 million from EUR 15 million in the same period last year, mainly driven by a higher volume of group pension contracts.

Operating capital generation of Netherlands Life increased to EUR 580 million from EUR 395 million in the first half of 2021. This is mainly driven by the lower net negative impact of the UFR drag and risk margin release as a result of higher interest rates, as well as positive experience variance, higher investment return following higher real estate valuations as well as a high new business contribution.

The NN Life Solvency II ratio decreased to 187% from 219% at the end of 2021, mainly due to the aforementioned adverse market impacts, the EUR 490 million dividend payments to the holding company as well as other movements including a loss of market risk diversification benefit and the impact of the UFR reduction from 3.60% to 3.45%. These items were partly offset by operating capital generation.

On 11 August 2022, NN Life announces the early redemption of the outstanding EUR 500 million 9.0% Fixed to floating rate subordinated notes due 2042. The notes will be redeemed by NN Life in full at their principal amount together with any interest accrued on their first call date, 29 August 2022. NN Group will consider refinancing the notes in the context of optimising its capital and leverage structure.

Interim report continued

Netherlands Non-life

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Earned premiums	1,797	1,819
Investment income	70	64
Other income		
Operating income	**1,867**	**1,882**
Claims incurred, net of reinsurance	**1,267**	**1,205**
Acquisition costs	322	330
Administrative expenses	167	168
Acquisition costs and administrative expenses	**488**	**498**
Expenditure	**1,755**	**1,703**
Operating result insurance businesses	**112**	**180**
Operating result non-insurance businesses	16	10
Total operating result	**127**	**189**
Non-operating items:	18	4
– of which gains/losses and impairments	6	9
– of which revaluations	12	-5
– of which market and other impacts		
Special items	-10	-21
Result before tax	**135**	**172**
Taxation	27	37
Minority interests	2	9
Net result	**105**	**126**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Gross premium income	2,327	2,307
Total administrative expenses[1]	271	224
Combined ratio:[2]	96.1%	92.0%
– of which Claims ratio[2]	69.0%	64.6%
– of which Expense ratio[2]	27.2%	27.4%
Operating capital generation	144	162

1 Including non-insurance businesses (health business and broker business).
2 Excluding non-insurance businesses (health business and broker business).

The operating result decreased to EUR 127 million from EUR 189 million in the first half of 2021, reflecting lower underwriting results in P&C due to the February storm, partly offset by favourable claims development on prior accident years in P&C as well as higher underwriting results in D&A. The combined ratio was 96.1% versus 92.0% in the first half of 2021.

The operating result in P&C decreased to EUR 53 million from EUR 138 million in the first half of 2021, which included from lower claims as a result of Covid-19. The current half-year reflects EUR 82 million of claims (net of reinsurance) related to the February storm, partly offset by favourable claims development on prior accident years. The P&C combined ratio was 97.3% compared with 90.8% in the first half of 2021.

The operating result in D&A was EUR 58 million compared with EUR 42 million in the first half of 2021, reflecting a favourable claims development in the Group Income and Individual Disability portfolios, despite a negative impact from wage inflation assumptions. This was partly offset by lower underwriting results in the Accident & Travel portfolio as the first half of 2021 included a positive impact from Covid-19. The D&A combined ratio was 93.6% versus 94.6% in the first half of 2021.

Administrative expenses were broadly stable at EUR 167 million.

The operating result of the non-insurance businesses increased to EUR 16 million from EUR 10 million in the first half of 2021, mainly driven by the acquisition of Heinenoord.

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The result before tax of Netherlands Non-life decreased to EUR 135 million from EUR 172 million in the first half of 2021, reflecting the lower operating result, partly offset by higher non-operating items and lower special items. Higher non-operating items mainly reflect positive revaluations on real estate. Special items include integration expenses.

Operating capital generation of Netherlands Non-life decreased to EUR 144 million from EUR 162 million in the first half of 2021, reflecting a lower underwriting result in Property & Casualty (P&C) mainly due to claims related to the February storm, partly offset by favourable results on prior accident years and an increase in new business contribution, while the first half of 2021 reflected lower claims as a result of Covid-19. Underwriting results in Disability & Accident (D&A) increased reflecting positive experience variances.

Interim report continued

Insurance Europe

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Investment margin	55	57
Fees and premium-based revenues	419	393
Technical margin	142	119
Operating income Life Insurance	**617**	**569**
Administrative expenses	225	210
DAC amortisation and trail commissions	215	197
Expenses Life Insurance	**440**	**407**
Operating result Life Insurance	**177**	**162**
Operating result Non-life	-1	-1
Operating result	**176**	**161**
Non-operating items:	-9	19
– of which gains/losses and impairments	-47	1
– of which revaluations	40	15
– of which market and other impacts	-2	2
Special items	-13	-5
Acquisition intangibles and goodwill	-1	
Result before tax	**153**	**175**
Taxation	38	40
Net result	**115**	**135**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
New sales life insurance (APE)	363	380
Value of new business	126	135
Total administrative expenses (Life and Non-life)	231	216
Operating capital generation	198	182

The operating result increased to EUR 176 million from EUR 161 million in the first half of 2021, up 9.3% on a constant currency basis. This reflects higher life fees across the region, a higher technical margin as well as a positive contribution from one quarter of the acquired MetLife business in Greece. This was partly offset by higher DAC amortisation and trail commissions and higher administrative expenses.

The investment margin was broadly stable at EUR 55 million.

Fees and premium-based revenues increased to EUR 419 million from EUR 393 million in the first half of 2021, mainly driven by higher life fees across the region from business growth as well as the inclusion of the acquired MetLife business in Greece. This was partly offset by the divestment of the Bulgarian business.

The technical margin increased to EUR 142 million from EUR 119 million in the first half of 2021, mainly driven by higher mortality and morbidity results in Poland, Spain and Greece.

Administrative expenses increased to EUR 225 million from EUR 210 million in the first half of 2021, mainly reflecting various growth initiatives, and the inclusion of the acquired MetLife business in Greece.

DAC amortisation and trail commissions increased to EUR 215 million from EUR 197 million in the first half of 2021, in line with the growth of the in-force portfolio across the region as well as the inclusion of the aforementioned acquisition.

The Non-life operating result was stable.

The result before tax decreased to EUR 153 million from EUR 175 million in the first half of 2021, on balance reflecting mutual fund impairments partly offset by positive real estate revaluations.

New sales (APE) decreased 1.9% on a constant currency basis to EUR 363 million from EUR 380 million in the first half of 2021, which benefited from a group contract renewal in Spain.

Value of new business decreased to EUR 126 million, down 6.7% from EUR 135 million in the first half of 2021, due to the discounting effect of higher interest rates as well as model and assumption changes, partly offset by an improved business mix.

Operating capital generation of Insurance Europe increased to EUR 198 million from EUR 182 million in the first half of 2021, mainly reflecting a higher investment return following higher interest rates, more positive experience variances, as well as a positive contribution from one quarter of the acquired MetLife business in Greece. This was partly offset by lower pension fees in Slovakia and Romania.

Japan Life

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Investment margin	4	-8
Fees and premium-based revenues	308	339
Technical margin	6	21
Operating income	**318**	**352**
Administrative expenses	59	64
DAC amortisation and trail commissions	128	132
Total expenses	**188**	**196**
Operating result	**130**	**156**
Non-operating items:	5	2
– of which gains/losses and impairments	-1	4
– of which revaluations	6	-2
Special items	-1	-1
Result before tax	**134**	**157**
Taxation	37	44
Net result	**96**	**113**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
New sales life insurance (APE)	159	195
Value of new business	84	92
Administrative expenses	59	64
Operating capital generation	74	57

The operating result decreased to EUR 130 million from EUR 156 million in the first half of 2021, mainly reflecting lower fees and premium-based revenues and a lower technical margin, partly offset by a higher investment margin and lower expenses. Excluding currency effects, the operating result decreased by 14.7%.

The investment margin increased to EUR 4 million from EUR -8 million in the first half of 2021, as a result of positive currency impacts resulting in higher coupons and higher interest rates.

Fees and premium-based revenues decreased to EUR 308 million from EUR 339 million in the first half of 2021, mainly driven by negative currency impacts, lower premium income from in-force business as well as a lower reinsurance result.

The technical margin decreased to EUR 6 million from EUR 21 million in the first half of 2021, reflecting a lower mortality result, partly offset by a higher surrender result.

Administrative expenses decreased to EUR 59 million from EUR 64 million in the first half of 2021, driven by currency impacts and lower IT costs.

DAC amortisation and trail commissions decreased to EUR 128 million from EUR 132 million in the first half of 2021, driven by lower DAC premium income, partly offset by higher surrenders mainly reflecting the termination of interest free policy loans as well as the termination of a Covid-19 related measure of grace period extension for premium payments.

The result before tax decreased to EUR 134 million from EUR 157 million in the first half of 2021, mainly reflecting the lower operating result.

New sales (APE) decreased to EUR 159 million from EUR 195 million in the first half of 2021, reflecting lower sales in COLI Financial Solutions products. Excluding currency effects, new sales decreased by 16.2%.

Value of new business of Japan Life decreased to EUR 84 million from EUR 92 million in the first half of 2021. The current period mainly reflects negative currency impacts while lower sales, were partly offset by an improved margin as a result of repricing and higher investment income.

Operating capital generation increased to EUR 74 million from EUR 57 million in the first half of 2021, reflecting a higher investment return as well as a lower new business strain as a result of decreasing sales. A higher in-force contribution was offset by lower mortality results.

Interim report continued

Banking

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Interest result	125	139
Commission income	26	34
Total investment and other income	18	16
Operating income	**170**	**189**
Operating expenses	105	98
Regulatory levies	18	16
Addition to loan loss provision	-1	-4
Total expenses	**122**	**110**
Operating result	**48**	**79**
Non-operating items:	10	-1
– of which market and other impacts	10	-2
Result before tax	**58**	**77**
Taxation	15	19
Net result	**43**	**58**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Total administrative expenses[1]	123	114
Cost/income ratio[2]	61.9%	51.9%
Net operating RoE[3]	8.7%	12.7%
Operating capital generation	11	55

amounts in billions of euros	30 June 2022	31 December 2021
Total assets (in EUR billion)	24	24

1 Operating expenses plus regulatory levies.
2 Cost/income ratio is calculated as Operating expenses divided by Operating income.
3 Net operating RoE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. For definitions and explanations of the Alternative Performance Measures reference is made to the Note 17 'Segments' in section 'Alternative Performance measures (Non-GAAP measures)'.

The operating result decreased to EUR 48 million from EUR 79 million in the first half of 2021, mainly due to lower operating income and higher total expenses.

The interest result was EUR 125 million compared with EUR 139 million in the first half of 2021, mainly reflecting lower average mortgage rates on the total portfolio and lower prepayment penalties, partly offset by lower funding costs. The net interest margin (NIM), calculated on a four-quarter rolling average, remained stable at 1.1%.

Commission income decreased to EUR 26 million from EUR 34 million in the first half of 2021, mainly due to lower origination fees on the lower volume of mortgages transferred to the NN IP Dutch Residential Mortgage Fund.

Total investment and other income increased to EUR 18 million compared with EUR 16 million in the first half of 2021, reflecting a higher volume of mortgages transferred to NN Group companies.

Operating expenses were EUR 105 million compared with EUR 98 million in the first half of 2021, mainly due to higher project expenses as well as higher staff expenses.

Regulatory levies increased to EUR 18 million from EUR 16 million in the first half of 2021, mainly reflecting higher contributions to the European Single Resolution Fund.

The release of the loan loss provision was EUR 1 million in the first half of 2022 compared with a release of EUR 4 million in the first half of 2021.

The result before tax decreased to EUR 58 million from EUR 77 million in the first half of 2021, mainly due to the lower operating result, partly offset by higher non-operating items mainly reflecting higher hedge results.

Net Operating Return on Equity (RoE) of Banking decreased to 8.7% from 12.7% in the first half of 2021, reflecting a lower net operating result in the current period, partly offset by a lower average equity following the dividend payment in the first half of 2022.

Operating capital generation decreased to EUR 11 million from EUR 55 million in the first half of 2021, due to an increase in risk weighted assets (RWA) and a lower statutory net result. The increase in RWA in the current period reflects a higher growth of the mortgage portfolio mainly due to a lower volume of mortgages transferred to the NN IP Dutch Residential Mortgage Fund and a lower portion of state-guaranteed (NHG) mortgages.

Interim report continued

Other

Analysis of results

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Interest on hybrids and debt[1]	-54	-53
Investment income and fees	54	51
Holding expenses	-90	-89
Holding result	**-91**	**-91**
Operating result reinsurance business	**11**	**18**
Other results	-8	-4
Operating result	**-88**	**-76**
Non-operating items:		35
– of which gains/losses and impairments	1	9
– of which revaluations	73	40
– of which market and other impacts	-74	-14
Special items	-19	-13
Acquisition intangibles and goodwill	-15	-11
Result on divestments	1,062	
Result before tax	**940**	**-65**
Taxation	-17	-11
Net result	**957**	**-54**

Key figures

amounts in millions of euros	1 January to 30 June 2022	1 January to 30 June 2021
Total administrative expenses:	97	93
– of which reinsurance business	4	4
– of which corporate/holding	92	90
Operating capital generation	-140	-136

1 Does not include interest costs on subordinated debt treated as equity.

The operating result was EUR -88 million versus EUR -76 million in the first half of 2021, mainly due to a lower operating result of the reinsurance business.

The holding result was stable at EUR 91 million compared with the same period last year.

The operating result of the reinsurance business decreased to EUR 11 million from EUR 18 million in the first half of 2021, mainly due to a EUR 4 million claim related to the storm in February.

The result before tax of the segment Other increased to EUR 940 million from EUR -65 million in the first half of 2021, mainly reflecting the EUR 1,062 million gain on sale of NN IP, partly offset by the lower non-operating items and the lower operating result.

Operating capital generation of the segment Other was EUR -140 million compared with EUR -136 million in the first half of 2021, mainly due to higher project expenses.

Balance Sheet

Assets

Investments for risk of policyholders

Investments for risk of policyholders decreased by EUR 4.6 billion in the first half of 2022 to EUR 34.6 billion, due to negative revaluations.

Non-trading derivatives

Non-trading derivatives decreased by EUR 4.4 billion in the first half of 2022 to EUR 2.1 billion, due to negative revaluations as a result of higher interest rates.

Available-for-sale investments

Available-for-sale investments decreased by EUR 19.8 billion in the first half of 2022, mainly reflecting negative revaluations on government bonds as a result of higher interest rates, partly offset by the inclusion of MetLife Poland and Greece.

Intangible assets

Intangible assets increased by EUR 0.4 billion in the first half of 2022 to EUR 1.6 billion reflecting the acquisition of MetLife in Poland and Greece.

Other assets

Other assets increased by EUR 4.3 billion in the first half of 2022 to EUR 8.0 billion, reflecting the increase in cash collateral amounts paid as a result of a lower market value of derivatives following higher interest rates.

Liabilities

Insurance and investment contracts

Insurance and investment contracts decreased by EUR 8.7 billion in the first half of 2022 to EUR 160.1 billion, mainly driven by a decrease of EUR 4.7 billion in deferred interest credited to policyholders as a result of increasing interest rates partly offset by the inclusion of the acquired MetLife businesses in Poland and Greece. Liabilities for life insurance for the risk of the policyholders decreased due to negative valuation changes of EUR 5.4 billion.

Non-trading derivatives

Non-trading derivatives increased by EUR 3.9 billion in the first half of 2022 to EUR 5.8 billion as a result of higher interest rates.

Equity

Shareholders' equity decreased by EUR 13.0 billion in the first half of 2022 to EUR 19.9 billion, mainly reflecting the negative impact of higher interest rates on the valuation of assets, while there is no impact on the valuation of liabilities as these are accounted for at interest rates at inception. This accounting asymmetry results in unrealised revaluations in equity that are volatile from period to period. This was partly offset by the net result of the period.

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Conformity statement

The Executive Board of NN Group N.V. is required to prepare the Interim report and Condensed consolidated interim accounts of NN Group N.V. in accordance with applicable Dutch law and International Financial Reporting Standards that are endorsed by the European Union (IFRS-EU).

Conformity statement pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht)

The Executive Board of NN Group N.V. is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Executive Board of NN Group N.V., so that the timeliness, completeness and correctness of the external financial reporting are assured. As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his knowledge:

- The NN Group N.V. Condensed consolidated interim accounts for the period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of NN Group N.V. and the enterprises included in the consolidation taken as a whole.
- The NN Group N.V. interim report for the period ended 30 June 2022 includes a fair review of the information required pursuant to article 5.25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding NN Group N.V. and the enterprises included in the consolidation taken as a whole.

The Hague, 10 August 2022

David Knibbe
CEO, Chair of the Executive Board

Annemiek van Melick
CFO, Vice-chair of the Executive Board

Condensed consolidated balance sheet

Amounts in millions of euros, unless stated otherwise

Condensed consolidated balance sheet

	notes	30 June 2022	31 December 2021
Assets			
Cash and cash equivalents		6,234	6,929
Financial assets at fair value through profit or loss:	3		
– investments for risk of policyholders		34,616	39,261
– non-trading derivatives		2,055	6,419
– designated as at fair value through profit or loss		628	991
Available-for-sale investments	4	88,119	107,883
Loans	5	68,037	68,200
Reinsurance contracts	11	1,075	954
Associates and joint ventures	6	7,298	6,919
Real estate investments		2,876	2,719
Property and equipment		426	414
Intangible assets	7	1,575	1,129
Deferred acquisition costs		1,890	1,893
Assets held for sale	8	2,719	4,121
Deferred tax assets		184	47
Other assets	9	8,013	3,706
Total assets		**225,745**	**251,585**
Equity			
Shareholders' equity (parent)		19,920	32,888
Minority interests		215	266
Undated subordinated notes		1,764	1,764
Total equity	10	**21,899**	**34,918**
Liabilities			
Subordinated debt		2,343	2,356
Debt securities issued		1,693	2,292
Other borrowed funds		9,318	7,301
Insurance and investment contracts	11	160,129	168,812
Customer deposits and other funds on deposit		16,160	15,945
Financial liabilities at fair value through profit or loss:			
– non-trading derivatives		5,802	1,904
Liabilities held for sale	8	2,571	3,464
Deferred tax liabilities		702	4,817
Other liabilities	12	5,128	9,776
Total liabilities		**203,846**	**216,667**
Total equity and liabilities		**225,745**	**251,585**

References relate to the notes starting with Note 1 'Accounting policies'. These form an integral part of the Condensed consolidated interim accounts.

Condensed consolidated profit and loss account

Condensed consolidated profit and loss account

	notes		1 January to 30 June 2022		1 January to 30 June 2021
Gross premium income			7,636		8,070
Investment income	13		2,366		2,732
– gross fee and commission income		266		201	
– fee and commission expenses		-88		-57	
Net fee and commission income:			178		144
Valuation results on non-trading derivatives			-1,623		-549
Foreign currency results			1,002		336
Share of result from associates and joint ventures			452		274
Other income			66		43
Total income			**10,077**		**11,050**
– gross underwriting expenditure		2,892		10,871	
– investment result for risk of policyholders		5,191		-2,312	
– reinsurance recoveries		-618		-536	
Underwriting expenditure:	14		7,465		8,023
Amortisation of intangible assets and other impairments			18		12
Staff expenses			746		703
Interest expenses			303		256
Other operating expenses			396		366
Total expenses			**8,928**		**9,360**
Result before tax from continuing operations			**1,149**		**1,690**
Taxation			225		333
Net result from continuing operations			**924**		**1,357**
Net result from discontinued operations			27		68
Net result from disposal of discontinued operations			1,062		-
Net result from discontinued operations	15		**1,089**		**68**
Net result from continuing and discontinued operations			**2,013**		**1,425**

Net result from continuing and discontinued operations

	1 January to 30 June 2022	1 January to 30 June 2021
Net result from continuing and discontinued operations attributable to:		
Shareholders of the parent	2,006	1,414
Minority interests	7	11
Net result from continuing and discontinued operations	**2,013**	**1,425**

Net result from continuing operations

	1 January to 30 June 2022	1 January to 30 June 2021
Net result from continuing operations attributable to:		
Shareholders of the parent	919	1,350
Minority interests	5	7
Net result from continuing operations	**924**	**1,357**

Condensed consolidated profit and loss account continued

Net result from discontinued operations

	1 January to 30 June 2022	1 January to 30 June 2021
Net result from discontinued operations attributable to:		
Shareholders of the parent	1,087	64
Minority interests	2	4
Net result from discontinued operations	**1,089**	**68**

Earnings per ordinary share from continuing and discontinued operations

	1 January to 30 June 2022	1 January to 30 June 2021
Earnings per ordinary share from continuing and discontinued operations		
Basic earnings from continuing and discontinued operations	6.52	4.47
Diluted earnings from continuing and discontinued operations	6.51	4.47

Earnings per ordinary share from continuing operations

	1 January to 30 June 2022	1 January to 30 June 2021
Earnings per ordinary share from continuing operations		
Basic earnings from continuing operations	2.93	4.26
Diluted earnings from continuing operations	2.93	4.27

Earnings per ordinary share from discontinued operations

	1 January to 30 June 2022	1 January to 30 June 2021
Earnings per ordinary share from discontinued operations		
Basic earnings from discontinued operations	3.59	0.21
Diluted earnings from discontinued operations	3.58	0.20

Reference is made to Note 16 'Earnings per ordinary share' for the disclosure on the Earnings per ordinary share.

Condensed consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income

For the period ended 30 June		1 January to 30 June 2022		1 January to 30 June 2021
Net result from continuing and discontinued operations		**2,013**		**1,425**
– unrealised revaluations available-for-sale investments and other	-12,114		-2,455	
– realised gains/losses transferred to the profit and loss account	-292		-603	
– changes in cash flow hedge reserve	-5,189		-3,072	
– deferred interest credited to policyholders	3,488		1,372	
– share of other comprehensive income of associates and joint ventures	4		-1	
– exchange rate differences	-173		-67	
Items that may be reclassified subsequently to the profit and loss account:		-14,276		-4,826
– remeasurement of the net defined benefit asset/liability	72		19	
– unrealised revaluations property in own use	2			
Items that will not be reclassified to the profit and loss account:		74		19
Total other comprehensive income		**-14,202**		**-4,807**
Total comprehensive income		**-12,189**		**-3,382**
Comprehensive income attributable to:				
Shareholders of the parent		-12,140		-3,395
Minority interests		-49		13
Total comprehensive income		**-12,189**		**-3,382**

Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows

For the period ended 30 June	1 January to 30 June 2022	1 January to 30 June 2021
Result before tax 1	2,248	1,780
Adjusted for:		
– depreciation and amortisation	73	71
– deferred acquisition costs and value of business acquired	-52	-63
– underwriting expenditure (change in insurance liabilities)	-384	368
– realised results and impairments of available-for-sale investments	-302	-685
– other	-1,342	155
Taxation paid (received)	-130	-177
Changes in:		
– non-trading derivatives	498	1,917
– other financial assets at fair value through profit or loss	306	569
– loans	-357	-79
– other assets	-4,316	748
– customer deposits and other funds on deposit	174	326
– financial liabilities at fair value through profit or loss – non-trading derivatives	420	-383
– other liabilities	-3,826	-6,040
Net cash flow from operating activities	**-6,990**	**-1,493**
Investments and advances:		
– group companies, net of cash acquired	-580	
– available-for-sale investments	-10,757	-14,921
– loans	-3,509	-3,254
– associates and joint ventures	-485	-335
– real estate investments	-108	-148
– property and equipment	-29	-20
– investments for risk of policyholders	-4,331	-4,331
– other investments	-44	-26
Disposals and redemptions:		
– group companies	1,355	
– available-for-sale investments	15,980	13,581
– loans	2,531	2,488
– associates and joint ventures	449	62
– real estate investments	82	9
– property and equipment	8	5
– investments for risk of policyholders	4,626	4,309
– other investments		1
Net cash flow from investing activities	**5,188**	**-2,580**
Repayments of debt securities issued	-600	
Proceeds from other borrowed funds	4,791	600
Repayments of other borrowed funds	-2,407	-1,256
Dividend paid	-253	-256
Purchase/sale of treasury shares	-512	-161
Coupon on undated subordinated notes	-33	-33
Net cash flow from financing activities	**986**	**-1,106**
Net cash flow	**-816**	**-5,179**

Condensed consolidated statement of cash flows continued

Included in Net cash flow from operating activities

	1 January to 30 June 2022	1 January to 30 June 2021
Interest received	2,327	2,364
Interest paid	-349	-351
Dividend received	287	270

Cash and cash equivalents

	1 January to 30 June 2022	1 January to 30 June 2021
Cash and cash equivalents at beginning of the year	7,155	12,382
Net cash flow	-816	-5,179
Effect of exchange rate changes on cash and cash equivalents	-105	-81
Cash and cash equivalents at the end of the year	**6,234**	**7,122**

Condensed consolidated statement of changes in equity

Condensed consolidated statement of changes in equity (2022)

	Share capital	Share premium	Reserves	Total Shareholders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance at 1 January 2022	**38**	**12,575**	**20,275**	**32,888**	**266**	**1,764**	**34,918**
Unrealised revaluations available-for-sale investments and other			-12,058	-12,058	-56		-12,114
Realised gains/losses transferred to the profit and loss account			-292	-292			-292
Changes in cash flow hedge reserve			-5,189	-5,189			-5,189
Deferred interest credited to policyholders			3,488	3,488			3,488
Share of other comprehensive income of associates and joint ventures			4	4			4
Exchange rate differences			-173	-173			-173
Remeasurement of the net defined benefit asset/liability			72	72			72
Unrealised revaluations property in own use			2	2			2
Total amount recognised directly in equity (Other comprehensive income)	**-**	**-**	**-14,146**	**-14,146**	**-56**	**-**	**-14,202**
Net result from continuing and discontinued operations			2,006	2,006	7		2,013
Total comprehensive income	**-**	**-**	**-12,140**	**-12,140**	**-49**	**-**	**-12,189**
Changes in share capital	-1	1		-			-
Dividend			-251	-251	-2		-253
Purchase/sale of treasury shares			-512	-512			-512
Employee stock option and share plans			-7	-7			-7
Coupon on undated subordinated notes			-58	-58			-58
Balance at 30 June 2022	**37**	**12,576**	**7,307**	**19,920**	**215**	**1,764**	**21,899**

Condensed consolidated statement of changes in equity continued

Condensed consolidated statement of changes in equity (2021)

	Share capital	Share premium	Reserves	Total Shareholders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance at 1 January 2021	**39**	**12,574**	**24,118**	**36,731**	**277**	**1,764**	**38,772**
Unrealised revaluations available-for-sale investments and other			-2,457	-2,457	2		-2,455
Realised gains/losses transferred to the profit and loss account			-603	-603			-603
Changes in cash flow hedge reserve			-3,072	-3,072			-3,072
Deferred interest credited to policyholders			1,372	1,372			1,372
Share of other comprehensive income of associates and joint ventures			-1	-1			-1
Exchange rate differences			-67	-67			-67
Remeasurement of the net defined benefit asset/liability			19	19			19
Total amount recognised directly in equity (Other comprehensive income)	**-**	**-**	**-4,809**	**-4,809**	**2**	**-**	**-4,807**
Net result from continuing and discontinued operations			1,414	1,414	11		1,425
Total comprehensive income	**-**	**-**	**-3,395**	**-3,395**	**13**	**-**	**-3,382**
Changes in share capital	-1	1	-	-			-
Dividend			-252	-252	-4		-256
Purchase/sale of treasury shares			-161	-161			-161
Employee stock option and share plans			-1	-1			-1
Coupon on undated subordinated notes			-59	-59			-59
Balance at 30 June 2021	**38**	**12,575**	**20,250**	**32,863**	**286**	**1,764**	**34,913**

Notes to the Condensed consolidated interim accounts

1 Accounting policies

The accounting principles used to prepare these Condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and are consistent with those set out in the notes to the 2021 NN Group Consolidated annual accounts.

In these Condensed consolidated interim accounts, 'NN Group' refers to NN Group N.V. (the parent company) and/or NN Group N.V. together with its consolidated subsidiaries (the consolidated group). These Condensed consolidated interim accounts should be read in conjunction with the 2021 NN Group Consolidated annual accounts.

IFRS-EU provides a number of options in accounting policies. NN Group's accounting policies under IFRS-EU and its decision on the options available are set out in Note 1 'Accounting policies' of the 2021 NN Group Consolidated annual accounts.

Certain amounts recorded in the Condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

Upcoming changes in IFRS-EU

Upcoming changes in IFRS-EU that are the most relevant for NN Group relate to IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts'.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014. IFRS 9 replaces most of the current IAS 39 'Financial Instruments: Recognition and Measurement' and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Main features of IFRS 9

The *classification and measurement* of financial assets under IFRS 9 will depend on NN Group's business model and the instrument's contractual cash flow characteristics. This will result in financial assets being recognised at amortised cost, at fair value through other comprehensive income (equity) and/or at fair value through profit or loss. In many instances, the classification and measurement under IFRS 9 will be similar to IAS 39, although changes in classification will occur. Furthermore, for equity securities accounted for at fair value through other comprehensive income (equity) realised gains and losses are no longer recognised in the profit and loss account but reclassified in equity. The classification and measurement of financial liabilities remains unchanged.

The recognition and measurement of *impairment* under IFRS 9 is intended to be more forward-looking than under IAS 39. The new impairment requirements will apply to all financial assets measured at amortised cost and at fair value through other comprehensive income. Initially, a provision is required for expected credit losses resulting from default events that are expected within the next twelve months. In the event of a significant increase in credit risk, a provision is required for expected credit losses resulting from all possible default events over the expected life of the financial assets.

The *hedge accounting* requirements of IFRS 9 aim to simplify hedge accounting. IFRS 9 includes the option to continue applying IAS 39 for hedge accounting.

Effective date of IFRS 9 and comparative information

IFRS 9 is effective as of 2018. However, for entities with activities that are predominantly connected with insurance, amongst which NN Group qualifies, there is a temporary exemption to align the effective date with that of IFRS 17, i.e. 1 January 2023. NN Group applies this temporary exemption. Usage of this exemption requires certain additional disclosures on whether financial assets that remain accounted for under IAS 39 meet the definition of 'solely payments of principal and interest on the principal amount outstanding' in IFRS 9 as well as additional information on the credit rating of such assets and whether such assets are 'low credit risk'. In this context, 'low credit risk' is equivalent to 'investment grade' as defined by ratings agencies (generally a rating of BBB- or better). These additional disclosures are included in Note 36 'Fair value of financial assets and liabilities' and in Note 52 'Risk management' in the 2021 Annual Accounts of NN Group. These disclosures reflect the current business models and the current accounting choices and interpretations. These may therefore change when IFRS 9 and IFRS 17 are implemented.

Certain subsidiaries within NN Group (mainly NN Bank) do not qualify under the Amendment. Therefore, the financial information of these entities is based on IFRS 9 in the statutory IFRS reporting of these entities, but not in the consolidated financial reporting of NN Group. The impact of applying IFRS 9 for these entities is not significant to NN Group. NN Group does not have associates or joint ventures for which IFRS 9 has a significant impact.

IFRS 9 includes an option to restate the comparative information for the financial year 2022. Furthermore, IFRS 17 includes an option to apply a 'classification overlay approach' for assets of entities of which the activities are predominantly connected with insurance, amongst which NN Group qualifies. This classification overlay approach allows restatement of comparative information also for assets that are or will be disposed of in 2022. NN Group intends to apply both options, which is expected to result in comparative information for 2022 as if IFRS 9 had always been applied. As a result, the transition date for IFRS 9 for NN Group is 1 January 2022.

NN Group's implementation of IFRS 9

For *classification and measurement*, NN Group intends to align the accounting for financial assets under IFRS 9 as much as possible to the accounting for insurance liabilities under IFRS 17. As a result, NN Group intends to account for financial assets of the insurance operations at fair value through other comprehensive income (equity) where allowed under IFRS 9. This will mainly impact the accounting for (mortgage) loans in the insurance operations (currently accounted for at amortised cost). Accounting for (mortgage) loans in the banking operations is expected to remain unchanged. The fair value of loans at 1 January 2022 is disclosed in Note 36 'Fair value of financial assets and liabilities' in the 2021 Annual Accounts of NN Group. The final choice for classification and measurement of financial assets is dependent on the final accounting choices for insurance liabilities under IFRS 17 (see below). The net impact will be reflected in equity at the transition date.

For *impairment*, the implementation of the expected loss impairment model under IFRS 9 is not expected to result in a significant impact on equity at the transition date.

For *hedge accounting*, NN Group intends to continue applying the hedge accounting requirements in IAS 39.

IFRS 17 'Insurance Contracts'

IFRS 17 'Insurance Contracts' was issued in May 2017 and revised in June 2020. IFRS 17 covers the recognition and measurement, presentation and disclosure of insurance contracts and replaces the current IFRS 4. IFRS 17 will fundamentally change the accounting for insurance liabilities and deferred acquisition costs (DAC) for all insurance companies, including NN Group and its subsidiaries. IFRS 17 is endorsed in the EU and will be effective as of 1 January 2023.

Main features of IFRS 17

The main features of IFRS 17 are:
- Measurement of the insurance liabilities in the balance sheet at current fulfilment value, being the sum of the present value of future cash flows and a risk adjustment.
- Remeasurement of the current fulfilment value every reporting period using current assumptions and discount rates.
- A Contractual Service Margin (CSM) recognised in the balance sheet that is equal to the unearned profit in the insurance contract at issue and that is subsequently recognised as result in the profit and loss account over the remaining life of the portfolio.
- Certain changes in the insurance liability are adjusted against the CSM and thereby recognised in the profit and loss account over the remaining life of the portfolio.
- The effect of changes in discount rates is recognised either in the profit and loss account or in equity (OCI).
- The presentation of the profit and loss account and the disclosures in the notes will change fundamentally. The profit and loss account will be presented in a margin-type of presentation (with insurance result, investment result and other result). Premium income will no longer be used to determine revenue.

IFRS 17 must be implemented retrospectively with amendment of comparative figures. However, several simplifications may be used on transition.

Key measurement differences between IFRS 17 and NN Group's current IFRS accounting

The main differences for measuring the insurance liability between the requirements in IFRS 17 and the currently applicable IFRS 4 relate to the following:
- IFRS 17 requires insurance liabilities to be measured using current best estimate assumptions and current market data for all actuarial and financial assumptions. IFRS 4 allows the use of locked-in assumptions that are set at issue of the policies, in combination with a reserve adequacy test at current assumptions.
- The insurance liability under IFRS 17 includes an explicit risk adjustment for non-financial risk and an explicit contractual service margin, representing the unamortised part of the updated profit margin. These elements are not explicitly recognised under IFRS 4.
- IFRS 17 allows certain changes in assumptions to be absorbed in the contractual service margin or in the revaluation reserve (OCI) in equity. Under IFRS 4, changes in assumptions are, to the extent relevant, recognised in profit and loss.
- In applying IFRS 4, directly attributable acquisition costs are recognised as an asset which is amortised to profit and loss over time. In applying IFRS 17, directly attributable acquisition costs are accounted for as part of the insurance liability. Also deferred interest credited to policyholders is not applicable anymore under IFRS 17.

Key measurement differences between IFRS 17 and Solvency II

Both IFRS 17 and Solvency II require the insurance liabilities to be measured on the basis of the net present value of the best estimate of future expected cash flows and an explicit allowance for non-financial risk. There are however significant differences in the following areas:
- In Solvency II, the initial margin in the premium over the insurance liability is recognised immediately in Own Funds. In IFRS 17, such initial margin (when positive) is recognised as contractual service margin (CSM) in the insurance liability and amortised and adjusted over time.
- In Solvency II the discount rate is prescribed by the prudential regulator, whereas the discount rate under IFRS 17 is set by NN Group taking into account the specific characteristics of NN Group's portfolios.
- In Solvency II the cost of capital rate and the level of diversification in determining the risk adjustment is prescribed by the regulator, whereas under IFRS 17 these are set by NN Group taking into account the specific characteristics of NN Group's portfolios.
- There are differences in the best estimate of future cash flows, for example. caused by different requirements for contract boundaries in Solvency II and IFRS 17.

NN Group's implementation of IFRS 17

IFRS 17 allows certain accounting policy choices to be made and requires significant judgment in setting certain assumptions. The finalisation of these policy choices and assumptions is ongoing and NN Group may decide to change the tentative policy choices and assumptions as part of parallel reporting during 2022 and other implementation activities. NN Group currently expects to apply the following key policy choices and key assumptions:

- Contracts are grouped together if, at inception, these are in the same portfolio, same level of profitability and recognised within the same annual reporting period ('annual cohorts'). NN Group does not intend to disaggregate groups of contracts beyond what is minimally required. NN Group's accounting policies comply with International Financial Reporting Standard as adopted by the EU (IFRS-EU). As such, NN Group has the option to apply the EU amendment to IFRS 17 on annual cohorts for certain types of contracts. NN Group does currently not intend to make significant use of this option and, therefore, intend to comply with IFRS 17 as issued by the IASB.
- NN Group will use the option to recognise the impact of changes in financial assumptions as revaluations directly in equity (OCI) together with the revaluation on related financial assets. Only when the recognition of changes in financial assumptions directly in profit or loss provides a better accounting match or more relevant information, NN Group will apply this alternative in combination with accounting for the related assets at fair value through profit or loss.
- NN Group will use the Premium Allocation Approach for the property and casualty (P&C) business in the non-life segment. NN Group will apply the variable Fee Approach (VFA) to certain portfolios for which the liability measurement is directly impacted by the asset valuation, including certain unit linked portfolios.
- NN Group intends to set the discount rate under IFRS using a liquid risk-free curve until the last liquid point, with extrapolation to a long-term forward rate per currency. A liability Illiquidity premium is added, based on the illiquidity spread that is implicit in NN Group's own asset portfolios.
- NN Group expects to use the Cost of Capital (CoC) methodology to derive the risk adjustment, using NN Group's own specific cost of capital rate and reflecting diversification between risk types and between entities in the group.
- NN Group will use each of the transition approaches for the CSM (full retrospective, modified retrospective and fair value); due to the long history and limited availability of data, the fair value transition approach will be used significantly for the segment Netherlands Life. The retrospective approaches are more relevant to the international businesses.

Impact of IFRS 9 and 17 on NN Group

NN Group will implement IFRS 17 together with IFRS 9. NN Group initiated an implementation project and is performing impact assessments and parallel reporting runs. NN Group expects that the implementation of IFRS 9 and IFRS 17 will result in significant changes to its accounting policies and will have a significant impact on shareholders' equity, net result, presentation and disclosures. Shareholders' equity under IFRS 9 and 17 will be significantly lower as a result of the measurement of insurance liabilities at current assumptions. This will be consistent with the measurement of the associated invested assets that are already mostly measured at fair value.

At this moment it is too early to disclose the quantitative impact of the implementation as of 2023 as the preparation of the transitional balance sheet, the decisions on key policy choices and assumptions and the parallel reporting runs are ongoing. Preliminary implementation choices and assumptions that are used in the parallel reporting may change and could significantly impact the final outcome.

Key assumptions, for which final decisions are yet to be taken, and market practices may develop further in the second half of 2022, include the following:

- determination of the discount rate for insurance liabilities (including the last liquid point, long term forward rate and the illiquidity premium)
- determination of the risk adjustment (including the cost of capital rate)
- determination of fair value and revaluation in OCI of insurance portfolios for which retrospective determination of the CSM at transition is not possible

NN Group intends to continue using Operating result as alternative performance measure. The definition of operating result will be amended to reflect the impact of IFRS 17. NN Group does not expect that the implementation of IFRS 9 and 17 will have significant impact on its Own Funds and the Solvency Capital Requirement under Solvency II, nor on its Operating Capital Generation (OCG).

2 Ukraine

In February 2022, the Russian military build-up on the border of Ukraine escalated tensions between Russia and Ukraine. At the date of this report, Russian troops continue to invade Ukraine and millions of Ukrainians have fled their homes. NN Group does not have business activities in Ukraine or Russia, and NN Group's direct financial exposure to these countries is limited. However, the Russian military actions and the resulting sanctions have adversely affected the global economy and financial markets. Any possible further escalation thereof, might have further adverse impact on the global economy and financial markets and, therefore, NN Group's financial results.

Notes to the Condensed consolidated interim accounts continued

3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

	30 June 2022	31 December 2021
Investments for risk of policyholders	34,616	39,261
Non-trading derivatives	2,055	6,419
Designated as at fair value through profit or loss	628	991
Financial assets at fair value through profit or loss	**37,299**	**46,671**

Investments for risk of policyholders

	30 June 2022	31 December 2021
Equity securities	31,531	37,010
Debt securities	1,738	1,368
Loans and receivables	1,347	883
Investments for risk of policyholders	**34,616**	**39,261**

Investments in investment funds (with underlying investments in debt and equity securities, real estate and derivatives) are included in equity securities.

Non-trading derivatives

	30 June 2022	31 December 2021
Derivatives used in:		
– fair value hedges	147	29
– cash flow hedges	555	4,622
– hedges of net investments in foreign operations	4	
Other non-trading derivatives	1,349	1,768
Non-trading derivatives	**2,055**	**6,419**

Other non-trading derivatives include derivatives for which no hedge accounting is applied. The fair value movements on the derivatives are influenced by changes in the market conditions, such as share prices, interest rates and currency exchange rates. The change in fair value of the derivatives is partly offset by changes in insurance contract liabilities, which are included in 'Underwriting expenditure' and partly offset by foreign currency results. The fair value of derivatives was impacted significantly by the change (increase) in market interest rates. This change in market interest rates also significantly impacted other balance sheet items, including Available for sale investments and Other assets (cash collateral amounts paid) and Other liabilities (Cash collateral amounts received) as well as other assets, other liabilities and other result in the consolidated statement of cash flows.

Designated as at fair value through profit or loss

	30 June 2022	31 December 2021
Equity securities	384	415
Debt securities	26	28
Money market funds	218	548
Designated as at fair value through profit or loss	**628**	**991**

4 Available-for-sale investments

Available-for-sale investments

	30 June 2022	31 December 2021
Equity securities:		
– shares in NN Group managed investment funds		2,459
– shares in third-party managed investment funds	6,962	3,970
– other	4,046	5,537
Equity securities	**11,008**	**11,966**
Debt securities	77,111	95,917
Available-for-sale investments	**88,119**	**107,883**

Notes to the Condensed consolidated interim accounts continued

Since the transfer of the NN Investment Partners (NN IP) activities to Goldman Sachs has been finalised in April 2022 the amount of shares in NN Group managed investment funds as at 30 June 2022 is nil and all shares of the investment funds are managed by third-parties as of April 2022. Reference is made to Note 20 'Companies and businesses acquired and divested'.

NN Group's total exposure to debt securities is included in the following balance sheet lines:

Total exposure to debt securities

	30 June 2022	31 December 2021
Available-for-sale investments	77,111	95,917
Loans	172	281
Available-for-sale investments and loans	**77,283**	**96,198**
Investments for risk of policyholders	1,738	1,368
Designated as at fair value through profit or loss	26	28
Financial assets at fair value through profit or loss	**1,764**	**1,396**
Total exposure to debt securities	**79,047**	**97,594**

NN Group's total exposure to debt securities included in 'Available-for-sale investments' and 'Loans' is specified as follows by type of exposure:

Debt securities by type

	Available-for-sale investments		Loans		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Government bonds	46,697	61,587			46,697	61,587
Corporate bonds	18,265	20,427			18,265	20,427
Financial institutions and Covered bonds	8,895	10,454			8,895	10,454
Bond portfolio (excluding ABS)	**73,857**	**92,468**	**-**	**-**	**73,857**	**92,468**
US RMBS	454	464			454	464
Non-US RMBS	2,222	2,107	94	198	2,316	2,305
CDO/CLO	464	444			464	444
Other ABS	114	434	78	83	192	517
ABS portfolio	**3,254**	**3,449**	**172**	**281**	**3,426**	**3,730**
Debt securities – Available-for-sale investments and Loans	**77,111**	**95,917**	**172**	**281**	**77,283**	**96,198**

5 Loans

Loans

	30 June 2022	31 December 2021
Loans secured by mortgages	59,569	59,283
Loans related to savings mortgages	1,367	1,426
Loans to or guaranteed by public authorities	1,406	1,478
Asset-backed securities	172	281
Policy loans	738	937
Other loans	4,983	4,954
Loans – before loan loss provisions	**68,235**	**68,359**
Loan loss provisions	-198	-159
Loans	**68,037**	**68,200**

Notes to the Condensed consolidated interim accounts continued

Changes in Loan loss provisions

	30 June 2022	31 December 2021
Loan loss provisions – opening balance	159	182
Write-offs	-3	-7
Increase/decrease in loan loss provisions	42	-13
Changes in the composition of the group and other changes		-3
Loan loss provisions – closing balance	**198**	**159**

6 Associates and joint ventures

Associates and joint ventures

	Interest held 30 June 2022	Balance sheet value 30 June 2022	Interest held 31 December 2021	Balance sheet value 31 December 2021
Vesteda Residential Fund FGR	24%	1,972	24%	1,840
CBRE Dutch Office Fund FGR	19%	416	19%	402
Macquarie European Infrastructure Debt Fund	48%	311	77%	152
CBRE Dutch Residential Fund FGR	8%	253	8%	235
Rivage Euro Debt Infrastructure 3	34%	251	34%	226
CBRE Retail Industrial Fund Iberica FGR	50%	229	50%	223
Ardstone Residential Income Fund	41%	227	45%	178
NRP Nordic Logistic Fund SA	42%	220	42%	222
Lazora S.I.I. S.A.	22%	220	22%	212
CBRE UK Property Fund PAIF	10%	216	10%	201
CBRE Dutch Retail Fund FGR	20%	184	20%	185
DPE Deutschland III (Parallel) GmbH & Co	17%	170	17%	149
Dutch Urban Living Venture FGR	45%	154	45%	152
Dutch Student and Young Professional Housing fund FGR	49%	140	49%	127
Achmea Dutch Health Care Property Fund	23%	131	23%	128
Allee center Kft	50%	117	50%	124
Healthcare Activos Yield SOCIMI S.A.	36%	109		
Fiumaranuova s.r.l.	50%	106	50%	110
Parcom Buy-Out Fund V CV	21%	106	21%	107
Delta Mainlog Holding GmbH & Co. KG	50%	102	50%	96
Siresa House S.L.	49%	99	49%	98
Robeco Bedrijfsleningen FGR	26%	99	26%	112
The Fizz Student Housing Fund SCS	50%	89	50%	91
Parcom Buy Out Fund IV B.V.	100%	81	100%	68
Octopus Commercial Real Estate Debt Fund III LP	50%	78	50%	39
Parquest Capital II B FPCI	26%	75	26%	78
Rivage Hopitaux Publics Euro	34%	73	34%	61
Boccaccio - Closed-end Real Estate Mutual Investment Fund	50%	71	50%	79
NL Boompjes Property 5 C.V.	50%	71	50%	65
Siresa House 2 S.L.	49%	69	49%	55
CBRE Dutch Retail Fund II FGR	10%	64	10%	65
Prime Ventures V C.V.	18%	62	19%	57
CBRE Property Fund Central and Eastern Europe FGR	50%	61	50%	59
Hayfin Amber GP S.A R.L.	100%	51	100%	11
Other		621		912
Associates and joint ventures		**7,298**		**6,919**

The above associates and joint ventures mainly consist of non-listed investment entities investing in real estate and private equity.

Significant influence exists for certain associates in which the interest held is below 20%, based on the combination of NN Group's financial interest for own risk and other arrangements, such as participation in the relevant boards.

NN Group holds associates over which it cannot exercise control despite holding more than 50% of the share capital. For this reason, these are classified as associates and are not consolidated.

Other includes EUR 409 million (31 December 2021: EUR 703 million) of associates and joint ventures with an individual balance sheet value less than EUR 50 million (in current year) and EUR 212 million (31 December 2021: EUR 209 million) of receivables from associates and joint ventures.

Notes to the Condensed consolidated interim accounts continued

The amounts presented in the table above could differ from the individual annual accounts of the associates due to the fact that the individual amounts have been brought in line with NN Group's accounting principles.

7 Intangible assets

Intangible assets

	30 June 2022	31 December 2021
Goodwill	790	549
Value of business acquired	234	196
Software	91	75
Other	460	309
Intangible assets	**1,575**	**1,129**

8 Assets and liabilities held for sale

Disposal groups classified as held for sale and discontinued operations

Disposal groups (and groups of non-current assets) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is only the case when the sale is highly probable and the disposal group (or group of assets) is available for immediate sale in its present condition; management must be committed to the sale, which is expected to occur within one year from the date of classification as held for sale.

Upon classification as held for sale, the carrying amount of the disposal group (or group of assets) is compared to their fair value less cost to sell. If the fair value less cost to sell is lower than the carrying value, this expected loss is recognised through a reduction of the carrying value of any goodwill related to the disposal group or the carrying value of certain other non-current non-financial assets to the extent that the carrying value of those assets exceeds their fair value. Any excess of the expected loss over the reduction of the carrying amount of these relevant assets is not recognised upon classification as held for sale, but is recognised as part of the result on disposal if and when a divestment transaction occurs.

Classification into or out of held for sale does not result in restating comparative amounts in the balance sheet.

When a group of assets that is classified as held for sale or is sold also represents a major line of business or geographical area the disposal group is classified as discontinued operations. In the Consolidated profit and loss account, the result after tax from discontinued operations is reported separately from income and expenses from continuing operations. The information for comparative years is adjusted accordingly. Reference is made to Note 15 'Discontinued operations'.

As at 30 June 2022 assets and liabilities held for sale relate to a closed book life insurance portfolio in NN Belgium. As at 31 December 2021 assets and liabilities held for sale relate to a closed book life insurance portfolio in NN Belgium and the activities of NN Investment Partners.

Assets held for sale

	30 June 2022	31 December 2021
Cash and cash equivalents		226
Available-for-sale investments	2,599	3,117
Loans	63	64
Reinsurance contracts	1	1
Property and equipment		12
Intangible assets		345
Other assets	56	356
Total assets	**2,719**	**4,121**

Liabilities held for sale

	30 June 2022	31 December 2021
Insurance and investment contracts	2,549	3,115
Other liabilities	22	349
Total liabilities	**2,571**	**3,464**

Reference is made to Note 20 'Companies and businesses acquired and divested'.

Notes to the Condensed consolidated interim accounts continued

The fair value hierarchy of financial assets and liabilities (measured at fair value and measured at amortised cost), which are presented as held for sale is included below. The fair value hierarchy consists of three levels, depending upon whether fair values were determined based on quoted prices in an active market (Level 1), valuation techniques with observable inputs (Level 2) or valuation techniques that incorporate inputs which are unobservable and which have a more than insignificant impact on the fair value of the instrument (Level 3). Reference is made to Note 19 'Fair value of financial assets and liabilities' for more details on the methods applied in determining fair values.

Methods applied in determining the fair value of financial assets and liabilities at fair value – held for sale (2022)

30 June 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale investments	2,112	487		2,599
Financial assets	**2,112**	**487**	**-**	**2,599**

Methods applied in determining the fair value of financial assets and liabilities at fair value – held for sale (2021)

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale investments	2,492	625		3,117
Financial assets	**2,492**	**625**	**-**	**3,117**

9 Other assets

Other assets

	30 June 2022	31 December 2021
Insurance and reinsurance receivables	769	634
Income tax receivables	359	141
Accrued interest and rents	998	1,307
Other accrued assets	146	131
Cash collateral amounts paid	5,007	803
Other	734	690
Other assets	**8,013**	**3,706**

The allowance for uncollectable insurance and reinsurance receivables amounts to EUR 34 million as at 30 June 2022 (2021: EUR 33 million). The receivable is presented net of this allowance.

Cash collateral amounts paid increased this quarter by EUR 4.2 billion in line with the reduction of the fair value of the derivatives as result of changes in market interest rates.

10 Equity

Total equity

	30 June 2022	31 December 2021
Share capital	37	38
Share premium	12,576	12,575
Revaluation reserve	364	14,422
Currency translation reserve	-331	-181
Net defined benefit asset/liability remeasurement reserve	-48	-119
Other reserves	7,322	6,153
Shareholders' equity (parent)	**19,920**	**32,888**
Minority interests	215	266
Undated subordinated notes	1,764	1,764
Total equity	**21,899**	**34,918**

Notes to the Condensed consolidated interim accounts continued

Changes in equity (2022)

30 June 2022	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Equity – opening balance	38	12,575	20,275	32,888
Total amount recognised directly in equity (Other comprehensive income)			-14,146	-14,146
Net result for the period			2,006	2,006
Changes in share capital	-1	1		-
Dividend			-251	-251
Purchase/sale of treasury shares			-512	-512
Employee stock option and share plans			-7	-7
Coupon on undated subordinated notes			-58	-58
Equity – closing balance	**37**	**12,576**	**7,307**	**19,920**

Interim dividend 2022
NN Group will pay an interim dividend of EUR 1.00 per ordinary share, or approximately EUR 294 million in total based on the current number of outstanding shares (net of treasury shares). The interim dividend will be paid either fully in cash, after deduction of withholding tax if applicable, or fully in ordinary shares, at the election of the shareholders. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the value of the stock dividend.

Final dividend 2021
On 19 May 2022, the General Meeting adopted the proposed final dividend of EUR 1.56 per ordinary share, or approximately EUR 476 million in total based on the current number of outstanding shares (net of treasury shares). Together with the 2021 interim dividend of EUR 0.93 per ordinary share paid in September 2021, NN Group's total dividend for 2021 was EUR 2.49 per ordinary share. The final dividend was paid in cash, after deduction of withholding tax if applicable, or ordinary shares, at the election of the shareholder. Dividends paid in the form of ordinary shares were delivered from NN Group treasury shares. To neutralise the dilutive effect of the stock dividend, NN Group repurchases ordinary shares for an amount equivalent to the value of the stock dividend. The cash dividend was distributed out of Other reserves.

Purchase/sale of treasury shares (2022)
In 2022, 11,408,556 ordinary shares for a total amount of EUR 518 million were repurchased under an open market share buyback programme, including repurchases to neutralise the dilutive effect of stock dividends. The repurchased shares are held by NN Group and the amount was deducted from Other reserves (Purchase/sale of treasury shares). In 2022, 4,757,115 NN Group shares were delivered for the final dividend 2021. Treasury shares for an amount of EUR 6 million were delivered under Employee share plans.

In the first six months of 2022, 7,878,210 treasury shares were cancelled.

As at 30 June 2022, 10,831,050 treasury shares were held by NN Group.

Coupon paid on undated subordinated notes (2022)
The undated subordinated notes have optional annual coupon payments in June and July. The annual coupons resulted in a deduction of EUR 58 million (net of tax) from equity.

Changes in equity (2021)

31 December 2021	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Equity – opening balance	39	12,574	24,118	36,731
Total amount recognised directly in equity (Other comprehensive income)			-6,103	-6,103
Net result for the period			3,278	3,278
Changes in share capital	-1	1		-
Dividend			-412	-412
Purchase/sale of treasury shares			-545	-545
Employee stock option and share plans			-2	-2
Coupon on undated subordinated notes			-59	-59
Equity – closing balance	**38**	**12,575**	**20,275**	**32,888**

Purchase/sale of treasury shares (2021)

In 2021, 12,828,981 ordinary shares for a total amount of EUR 550 million were repurchased under an open market share buyback programme, including repurchases to neutralise the dilutive effect of stock dividends. The repurchased shares are held by NN Group and the amount was deducted from Other reserves (Purchase/sale of treasury shares). In 2021, 2,891,880 NN Group shares were delivered for the interim dividend. . Treasury shares for an amount of EUR 5 million were delivered under Employee share plans.

In 2021, 12,400,000 NN Group treasury shares were cancelled.

As at 31 December 2021, 12,294,129 treasury shares were held by NN Group.

Coupon paid on undated subordinated notes (2021)

The undated subordinated notes have optional annual coupon payments in June and July. The annual coupons resulted in a deduction of EUR 59 million (net of tax) from equity.

Minority interest

NN Group owns 51% of the shares of ABN AMRO Verzekeringen Holding B.V. (ABN AMRO Verzekeringen). ABN AMRO Verzekeringen's principal place of business is Zwolle, the Netherlands. ABN AMRO Verzekeringen is fully consolidated by NN Group, with a minority interest recognised of 49%.

At 30 June 2022, the minority interest relating to ABN AMRO Verzekeringen recognised in equity was EUR 206 million (31 December 2021: EUR 245 million).

Summarised information ABN AMRO Verzekeringen[1]

	30 June 2022	31 December 2021[2]
Total assets	4,242	4,566
Total liabilities	3,822	4,065
Total income	241	502
Total expenses	229	470
Net result recognised in period	10	23
Other comprehensive income recognised in period	-85	7
Dividends paid	6	59

1 All on 100% basis.
2 Total income, Total expenses, Net result recognised in period and Dividend paid are for the full year 2021.

11 Insurance and investment contracts, reinsurance contracts

Insurance and investment contracts, reinsurance contracts

	Liabilities net of reinsurance		Reinsurance contracts		Insurance and investment contracts	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Life insurance liabilities excluding liabilities for risk of policyholders	115,647	120,630	584	573	116,231	121,203
Liabilities for life insurance for risk of policyholders	32,324	37,499	32	32	32,356	37,531
Investment contract with discretionary participation features for risk of policyholders	222	259			222	259
Life insurance liabilities	**148,193**	**158,388**	**616**	**605**	**148,809**	**158,993**
Liabilities for unearned premiums and unexpired risks	828	406	19	19	847	425
Claims liabilities	6,786	6,662	440	330	7,226	6,992
Insurance liabilities and investment contracts with discretionary participation features	**155,807**	**165,456**	**1,075**	**954**	**156,882**	**166,410**
Investment contracts liabilities	3,247	2,402			3,247	2,402
Insurance and investment contracts, reinsurance contracts	**159,054**	**167,858**	**1,075**	**954**	**160,129**	**168,812**

The liabilities for insurance and investment contracts are presented gross in the balance sheet as 'Insurance and investment contracts'. The related reinsurance is presented as 'Reinsurance contracts' under Assets in the balance sheet.

Longevity reinsurance

In May 2020, NN Group entered into three reinsurance agreements to reinsure the full longevity risk associated with in total approximately EUR 13.5 billion of pension liabilities in NN Group in the Netherlands. This reinsurance reduces NN Group's exposure to longevity risk and, consequently, the required capital under Solvency II. The three reinsurance agreements are similar in nature but are agreed with three different assuming reinsurers, Canada Life, Munich Re and Swiss Re. The risk transfer is effective as of 1 January 2020 and will continue until the relevant portfolio has run off.

The premium payable to the assuming reinsurers is fixed and includes a margin of approximately EUR 452 million over the current best estimate of benefits payable under the related portfolios. This margin, which represents a cost of reinsurance to NN Group is recognised in the profit and loss account over the duration of the reinsurance. An amount of EUR 13 million was recognised in Underwriting expenditure in the profit and loss account in 2022. An amount of approximately EUR 388 million (undiscounted) remains to be recognised in future periods.

In December 2021, NN Group entered into a fourth reinsurance agreement to reinsure the full longevity risk associated with in total approximately EUR 4 billion of pension liabilities in NN Group in the Netherlands. This reinsurance reduces NN Group's exposure to longevity risk and, consequently, the required capital under Solvency II. The fourth reinsurance agreement is similar in nature to the first three contracts but is agreed with a different reinsurer, RGA. The risk transfer for the fourth contract is effective as of 31 December 2021. The risk transfer will continue until the relevant portfolio has run off.

The premium payable to the assuming reinsurers is fixed and includes a margin of approximately EUR 140 million over the current best estimate of benefits payable under the related portfolios. This margin, which represents a cost of reinsurance to NN Group is recognised in the profit and loss account over the duration of the reinsurance. An amount of EUR 3 million was recognised in Underwriting expenditure in the profit and loss account in 2022. An amount of approximately EUR 137 million (undiscounted) remains to be recognised in future periods.

12 Other liabilities

Other liabilities

	30 June 2022	31 December 2021
Income tax payable	62	65
Net defined benefit liability	40	138
Other post-employment benefits	6	6
Other staff-related liabilities	81	93
Other taxation and social security contributions	146	161
Deposits from reinsurers	61	63
Lease liabilities	269	294
Accrued interest	166	182
Costs payable	367	309
Amounts payable to policyholders	848	802
Provisions	146	137
Amounts to be settled	1,044	1,213
Cash collateral amounts received	1,001	5,330
Other	891	983
Other liabilities	**5,128**	**9,776**

Cash collateral amounts received reduced this quarter by EUR 4.3 billion in line with the reduction of the fair value of the derivatives as result of the change in market interest rates.

Notes to the Condensed consolidated interim accounts continued

13 Investment income

Investment income

	1 January to 30 June 2022	1 January to 30 June 2021
Interest income from investments in debt securities	882	863
Interest income from loans	754	770
Interest income from investments in debt securities and loans	**1,636**	**1,633**
Realised gains/losses on disposal of available-for-sale debt securities	189	219
Impairments of available-for-sale debt securities		1
Realised gains/losses and impairments of available-for-sale debt securities	**189**	**220**
Realised gains/losses on disposal of available-for-sale equity securities	284	478
Impairments of available-for-sale equity securities	-171	-13
Realised gains/losses and impairments of available-for-sale equity securities	**113**	**465**
Interest income on non-trading derivatives	95	107
Changes in loan loss provisions	-42	1
Income from real estate investments	56	50
Dividend income	188	166
Change in fair value of real estate investments	131	90
Investment income	**2,366**	**2,732**

Impairments on investments by segment

	1 January to 30 June 2022	1 January to 30 June 2021
Netherlands Life	-126	-9
Netherlands Non-life	-10	-1
Insurance Europe	-30	-2
Other	-5	
Impairments on investments	**-171**	**-12**

14 Underwriting expenditure

Underwriting expenditure

	1 January to 30 June 2022	1 January to 30 June 2021
Gross underwriting expenditure:		
– before effect of investment result for risk of policyholders	8,083	8,559
– effect of investment result for risk of policyholders	-5,191	2,312
Gross underwriting expenditure	**2,892**	**10,871**
Investment result for risk of policyholders	5,191	-2,312
Reinsurance recoveries	-618	-536
Underwriting expenditure	**7,465**	**8,023**

The investment income and valuation results regarding investments for risk of policyholders is recognised in 'Underwriting expenditure'. As a result, it is shown together with the equal amount of related change in insurance liabilities for risk of policyholders. Reference is made to Note 11 'Insurance and investment contracts, reinsurance contracts'.

Notes to the Condensed consolidated interim accounts continued

Underwriting expenditure by class

	1 January to 30 June 2022	1 January to 30 June 2021
Expenditure from life underwriting:		
– reinsurance and retrocession premiums	696	578
– gross benefits	5,842	5,615
– reinsurance recoveries	-593	-503
– change in life insurance liabilities	-968	-22
– costs of acquiring insurance business	243	242
– other underwriting expenditure	117	102
– profit sharing and rebates	48	26
Expenditure from life underwriting	**5,385**	**6,038**
Expenditure from non-life underwriting:		
– reinsurance and retrocession premiums	109	106
– gross claims	1,123	1,117
– reinsurance recoveries	-25	-33
– changes in the liabilities for unearned premiums	425	386
– changes in claims liabilities	122	67
– costs of acquiring insurance business	350	356
– other underwriting expenditure	-19	-19
Expenditure from non-life underwriting	**2,085**	**1,980**
Expenditure from investment contracts:		
– costs of acquiring investment contracts	1	1
– other changes in investment contract liabilities	-6	4
Expenditure from investment contracts	**-5**	**5**
Underwriting expenditure	**7,465**	**8,023**

15 Discontinued operations

NN Group's asset management activities executed by NN Investment Partners (NN IP) are classified as discontinued operations. Reference is made to Note 20 'Companies and businesses acquired and divested'.

Net result from discontinued operations consists of the net result (after tax) of the businesses classified as discontinued operations and is presented separately in the profit and loss account for both the first half year of 2022 and 2021. No gain or loss has been recognised in the profit and loss account upon the classification as held for sale and discontinued operations; upon closing of the transaction a gain of EUR 1.1 billion was recognised.

Net result from discontinued operations

	1 January to 30 June 2022	1 January to 30 June 2021
Total income	110	234
Total expenses	74	144
Net result from disposal of discontinued operations	1,062	
Result before tax from discontinued operations	**1,098**	**90**
Taxation	9	22
Net result from discontinued operations	**1,089**	**68**

The activities of NNIP were reported in the segment Asset Management before these were classified as discontinued operations and held for sale. The segment Asset Management ceased to exist in 2021, following the classification as discontinued operations, as all activities previously included in this segment are now discontinued operations. The sale of NNIP was completed in April 2022. Reference is made to Note 20 'Companies and businesses acquired and divested'.

Net cash flow from discontinued operations

	30 June 2022	31 December 2021
Operating cash flow	94	95
Investing cash flow	-2	-10
Financing cash flow		-4
Net cash flow from discontinued operations	**92**	**81**

Notes to the Condensed consolidated interim accounts continued

16 Earnings per ordinary share

Earnings per ordinary share shows earnings per share amounts for profit or loss attributable to shareholders of the parent. Earnings per ordinary share is calculated on the basis of the weighted average number of ordinary shares outstanding. In calculating the weighted average number of ordinary shares outstanding, own shares held by group companies are deducted from the total number of ordinary shares in issue.

Earnings per ordinary share from continuing and discontinued operations

	Amounts (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021
Net result from continuing and discontinued operations	2,006	1,414				
Coupon on undated subordinated notes	-29	-29				
Basic earnings from continuing and discontinued operations	**1,977**	**1,385**	**303.3**	**309.8**	**6.52**	**4.47**
Dilutive instruments:						
– Share plans			0.4	0.4		
Dilutive instruments			**0.4**	**0.4**		
Diluted earnings from continuing and discontinued operations	**1,977**	**1,385**	**303.7**	**310.2**	**6.51**	**4.47**

Earnings per ordinary share from continuing operations

	Amounts (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021
Net result from continuing operations	919	1,349				
Attribution to non-voting equity securities						
Coupon on undated subordinated notes	-29	-29				
Basic earnings from continuing operations	**890**	**1,320**	**303.3**	**309.8**	**2.93**	**4.26**
Dilutive instruments:						
– Share plans			0.4	0.4		
Dilutive instruments			**0.4**	**0.4**		
Diluted earnings from continuing operations	**890**	**1,320**	**303.7**	**310.2**	**2.93**	**4.27**

Earnings per ordinary share from discontinued operations

	Amounts (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 30 June 2022	1 January to 30 June 2021
Net result from discontinued operations	1,087	65				
Attribution to non-voting equity securities						
Coupon on undated subordinated notes						
Basic earnings from discontinued operations	**1,087**	**65**	**303.3**	**309.8**	**3.59**	**0.21**
Dilutive instruments:						
– Share plans			0.4	0.4		
Dilutive instruments			**0.4**	**0.4**		
Diluted earnings from discontinued operations	**1,087**	**65**	**303.7**	**310.2**	**3.58**	**0.20**

Diluted earnings per share is calculated as if the share plans outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans was used to buy own shares against the average market price during the period. The net increase in the number of shares resulting from exercising share plans is added to the average number of shares used for the calculation of diluted earnings per share.

17 Segments

The reporting segments for NN Group, based on the internal reporting structure, are as follows:

- Netherlands Life (Group life and individual life insurance products in the Netherlands)
- Netherlands Non-life (Non-life insurance in the Netherlands including disability and accident, fire, motor and transport insurance)
- Insurance Europe (Life insurance, pension products and to a small extent non-life insurance and retirement services in Central and Rest of Europe)
- Japan Life (Life insurance primarily Corporate Owned Life Insurance (COLI) business)
- Banking
- Other (Operating segments that have been aggregated due to their respective size; including Japan Closed Block VA (Closed block single premium variable annuity individual life insurance portfolio in Japan, including the internally reinsured minimum guarantee risk, which has been closed to new business and which is being managed in run-off), reinsurance and items related to capital management and the head office)

As disclosed in Note 15 'Discontinued operations' as of 2021 the segment Asset Management ceased to exist. As a result, the result from the Asset management activities is presented separately from the results of the remaining segments.

The Executive Board and the Management Board set the performance targets and approve and monitor the budgets prepared by the reporting segments. The segments formulate strategic, commercial and financial policies in conformity with the strategy and performance targets set by the Executive Board and the Management Board.

The accounting policies of the segments are the same as those described in Note 1 'Accounting policies'. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to segments based on time spent by head office personnel, the relative number of staff, on the basis of income and/or assets of the segment or other relevant metrics. Intercompany loans that qualify as equity instruments under IFRS-EU are presented in the segment reporting as debt; related coupon payments are presented as income and expenses in the respective segments.

Notes to the Condensed consolidated interim accounts continued

Segments (2022)

1 January to 30 June 2022	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other	Total
Investment margin	502		55	4			561
Fees and premium-based revenues	203		419	308			929
Technical margin	76		142	6			224
Operating income	**781**	**-**	**617**	**318**	**-**	**-**	**1,715**
Administrative expenses	215		225	59			499
DAC amortisation and trail commissions	14		215	128			357
Expenses	**229**	**-**	**440**	**188**	**-**	**-**	**856**
Operating result non-life		127	-1				127
Operating result banking					48		48
Operating result other						-88	-88
Operating result from continuing operations	**552**	**127**	**176**	**130**	**48**	**-88**	**946**
Non-operating items from continuing operations:							
– gains/losses and impairments	309	6	-47	-1		1	268
– revaluations	-586	12	40	6		73	-455
– market and other impacts	531		-2		10	-74	465
Special items before tax	-14	-10	-13	-1		-19	-58
Acquisition intangibles and goodwill			-1			-15	-16
Result on divestments						1,062	1,062
Result before tax from continuing operations	**792**	**135**	**153**	**134**	**58**	**940**	**2,211**
Taxation	124	27	38	37	15	-17	225
Minority interests	4	2					5
Net result from continuing operations	**664**	**105**	**115**	**96**	**43**	**957**	**1,981**
Net result from discontinued operations						26	26
Net result	**664**	**105**	**115**	**96**	**43**	**983**	**2,006**

Notes to the Condensed consolidated interim accounts continued

Segments (2021)

1 January to 30 June 2021	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Banking	Other	Total
Investment margin	494		57	-8			544
Fees and premium-based revenues	192		393	339			924
Technical margin	74		119	21			214
Operating income	**760**	**-**	**569**	**352**	**-**	**-**	**1,682**
Administrative expenses	225		210	64			499
DAC amortisation and trail commissions	16		197	132			345
Expenses	**241**	**-**	**407**	**196**	**-**	**-**	**844**
Operating result non-life		189	-1				189
Operating result banking					79		79
Operating result other						-76	-76
Operating result from continuing operations	**520**	**189**	**161**	**156**	**79**	**-76**	**1,030**
Non-operating items from continuing operations:							
– gains/losses and impairments	661	9	1	4		9	684
– revaluations	-7	-5	15	-2		40	40
– market and other impacts	7		2		-2	-14	-6
Special items before tax	-6	-21	-5	-1		-13	-47
Acquisition intangibles and goodwill						-11	-11
Result before tax from continuing operations	**1,174**	**172**	**175**	**157**	**77**	**-65**	**1,690**
Taxation	204	37	40	44	19	-11	334
Minority interests	-2	9					7
Net result from continuing operations	**972**	**126**	**135**	**113**	**58**	**-54**	**1,349**
Net result from discontinued operations						65	65
Net result	**972**	**126**	**135**	**113**	**58**	**11**	**1,414**

Special items in the first half of 2022 and 2021 mainly reflect higher project expenses.

Alternative Performance Measures (Non-GAAP measures)

NN Group uses three Alternative Performance Measures (APMs, also referred to as Non-GAAP measures) in its external financial reporting: Operating result, Adjusted allocated equity and Administrative expenses.

Notes to the Condensed consolidated interim accounts continued

Operating result

Operating result (before tax) is used by NN Group to evaluate the financial performance of its segments. Each segment's operating result is calculated by adjusting the reported result before tax for the following items:

- Non-operating items: related to (general account) investments that are held for own risk (net of policyholder profit sharing):
  - Gains/losses and impairments: realised gains and losses as well as impairments on financial assets that are classified as Available-for-sale and debt securities that are classified as loans. These investments include debt and equity securities (including fixed income and equity funds), private equity (< 20% ownership), real estate funds and loans quoted in active markets.
  - Revaluations: revaluations on assets marked-to-market through the Consolidated profit and loss account. These investments include private equity (associates), real estate (property and associates), derivatives unrelated to product hedging programmes (i.e. interest rate swaps, foreign exchange hedges) and direct equity hedges.
  - Market & other impacts: these impacts mainly include movements in the liability for guarantees on separate account pension contracts and unit-linked guarantee provisions in the Netherlands and related hedges, the accounting volatility related to the reinsurance of minimum guaranteed benefits of Japan Closed Block VA and the changes in valuation of certain inflation linked liabilities and related derivatives.
- Special items: items of income or expense before tax that are significant and arise from events or transactions that are clearly distinct from the ordinary business activities and therefore are not expected to recur frequently or regularly. This includes, for example, restructuring expenses, rebranding costs, results related to early redemption of debt, and gains/losses from employee pension plan amendments or curtailments.
- Acquisition intangibles and goodwill: At the acquisition date, all assets and liabilities (including investments, loans and funding liabilities) were remeasured to fair value. Acquisition related intangible assets (mainly brand names, distribution agreements and client relationships) were recognised and will be amortised through the profit and loss account over their useful life. Goodwill on acquisition was also recognised; goodwill is not amortised but tested annually for impairment. Any amortisation and goodwill impairment is recognised in the line 'Amortisation of acquisition intangibles and other impairments'.
- Result on divestments: result before tax related to divested operations.

The operating result for the life insurance business is analysed through a margin analysis, which includes the investment margin, fees and premium-based revenues and the technical margin. Disclosures on comparative years also reflect the impact of current year's divestments. Operating result as presented below is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU. Because it is not determined in accordance with IFRS-EU, operating result as presented by NN Group may not be comparable to other similarly titled measures of performance of other companies. The net result on transactions between segments is eliminated in the net result of the relevant segment.

Adjusted allocated equity

NN Group evaluates the efficiency of the operational deployment of its equity of its banking operations by calculating Return On Equity (ROE). The net operating ROE is calculated using Net operating result in the numerator and average Adjusted allocated equity in the denominator. Net operating result of NN Group is the Net operating result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity. Adjusted allocated equity is derived from IFRS equity by adjusting for:

- Revaluation reserves
- Undated subordinated notes classified as equity under IFRS
- Goodwill and intangible assets recognised as a result of the Delta Lloyd acquisition.

Adjusted allocated equity per segment represents the part of equity that is economically deployed by the segments. This allocation does not impact equity in total for NN Group. Adjusted allocated equity is an Alternative Performance Measure that is not a measure under IFRS-EU. Adjusted allocated equity as applied by NN Group may not be comparable to other similarly titled measures of other companies. Adjusted allocated equity is reconciled to IFRS Total equity as follows:

Adjusted allocated equity

	30 June 2022	31 December 2021
IFRS Total equity	21,899	34,918
Revaluation reserves, Goodwill and Intangible assets recognised upon acquisitions	-572	-14,925
Undated subordinated notes	-1,764	-1,764
Adjusted allocated equity excluding Japan Closed Block VA	**19,562**	**18,229**

Administrative expenses

NN Group monitors the level of expenses and assesses cost savings through the Administrative expenses. Administrative expenses are the expenses included in operating result, unless already included in the technical margin or the investment margin in the margin analysis of the operating result.

Administrative expenses

	1 January to 30 June 2022	1 January to 30 June 2021
Staff expenses	746	703
Other operating expenses	396	367
IFRS operating expenses	**1,142**	**1,070**
Presented in non-operating items (including special items)	-63	-52
Presented in the Technical margin (claims handling expenses)	-68	-63
Presented in the Investment margin (investment expenses)	-16	-19
Administrative expenses continuing operations	**995**	**936**

Administrative expenses are calculated as the total of IFRS Staff expenses and IFRS Other operating expenses, adjusted for expenses already recognised in the technical margin and the investment margin and for expenses that are not included in operating result (non-operating expenses and special items). From the total administrative expenses of EUR 995 million (2021: EUR 936 million), EUR 500 million (2021: EUR 500 million) relates to the segments Netherlands Life, Insurance Europe Life, Japan Life and Asset Management. The remainder of EUR 495 million (2021: EUR 436 million) is included in the operating result non-life, banking and other.

In addition, NN Group discloses a number of other metrics (that are not defined in IFRS and/or not defined in regulatory capital legislation). As these are not derived from comparable metrics under IFRS, these cannot be reconciled to an IFRS equivalent. These include the following:

- Operating Capital Generation (OCG): NN Group analyses the change in the excess of Solvency II Own Funds over the Solvency Capital Requirement ('SCR') in the following components: Operating Capital Generation, Market variance, Capital flows and Other. Operating Capital Generation is the movement in the Solvency II surplus (Own Funds before eligibility 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.
- Annual Premium Equivalent (APE): the total of the IFRS annual recurring premiums and 10% of the IFRS single premiums received in a given period
- Combined ratio: the sum of the claims ratio (claims incurred, net of reinsurance, excluding unwind of interest accrual, divided by net earned premiums) and the expense ratio (sum of acquisition costs and administrative expenses, divided by net earned premiums)
- Financial leverage ratio: the percentage of financial leverage in the total of financial leverage and equity
- Fixed cost coverage ratio: the ability of Earnings Before Interest and Tax (EBIT) to cover funding costs on financial leverage; calculated on a last 12-months basis
- Free cash flow: the change in the cash capital position at the holding company over the period, excluding acquisitions and capital transactions with shareholders and debtholders
- Cash capital position at the holding company: net current assets available at the holding company
- Net interest margin (NIM): interest result of the banking operations divided by the average total interest bearing assets of the banking operations
- Net operating ROE: the (annualised) net operating result of the banking operations, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of the banking operations
- Value of New Business (VNB): the additional economic value created through writing new business during the period

18 Taxation

Taxation on components of other comprehensive income

	1 January to 30 June 2022	1 January to 30 June 2021
Unrealised revaluations available-for-sale investments and other	3,901	1,023
Realised gains/losses transferred to the profit and loss account	10	82
Changes in cash flow hedge reserve	1,801	1,024
Deferred interest credited to policyholders	-1,190	-450
Remeasurement of the net defined benefit asset/liability	-25	-6
Income tax	**4,497**	**1,673**

19 Fair value of financial assets and liabilities

The following table presents the estimated fair value of NN Group's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability. The aggregation of the fair value presented below does not represent and should not be construed as representing the underlying value of NN Group.

Fair value of financial assets and liabilities

	Estimated fair value		Balance sheet value	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Financial assets				
Cash and cash equivalents	6,234	6,929	6,234	6,929
Financial assets at fair value through profit or loss:				
– investments for risk of policyholders	34,616	39,261	34,616	39,261
– non-trading derivatives	2,055	6,419	2,055	6,419
– designated as at fair value through profit or loss	628	991	628	991
Available-for-sale investments	88,119	107,883	88,119	107,883
Loans	62,120	72,597	68,037	68,200
Total financial assets	**193,772**	**234,080**	**199,689**	**229,683**
Financial liabilities				
Subordinated debt	2,331	2,624	2,343	2,356
Debt securities issued	1,558	2,351	1,693	2,292
Other borrowed funds	9,006	7,364	9,318	7,301
Investment contracts with discretionary participation features for risk of policyholders	222	259	222	259
Investment contracts for risk of company	1,185	976	1,229	953
Investment contracts for risk of policyholders	2,018	1,449	2,018	1,449
Customer deposits and other funds on deposit	15,853	16,460	16,160	15,945
Financial liabilities at fair value through profit or loss:				
– non-trading derivatives	5,802	1,904	5,802	1,904
Total financial liabilities	**37,975**	**33,387**	**38,785**	**32,459**

For the other financial assets and financial liabilities not included in the table above, including short-term receivables and payables, the carrying amount is a reasonable approximation of fair value.

The estimated fair value represents the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date (exit price). The fair value of financial assets and liabilities is based on unadjusted quoted market prices, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available market prices are obtained from independent market vendors, brokers or market makers. Because substantial trading markets do not exist for all financial instruments, various techniques have been developed to estimate the approximate fair value of financial assets and liabilities that are not actively traded. The fair value presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of the future fair value.

Further information on the methods and assumptions that were used by NN Group to estimate the fair value of the financial instruments and the sensitivities for changes in these assumptions is disclosed in Note 36 'Fair value of financial assets and liabilities' of the 2021 NN Group Consolidated annual accounts.

Notes to the Condensed consolidated interim accounts continued

Financial assets and liabilities at fair value

The fair value of the financial instruments carried at fair value was determined as follows:

Methods applied in determining the fair value of financial assets and liabilities at fair value (2022)

30 June 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investments for risk of policyholders	33,579	388	649	34,616
Non-trading derivatives	59	1,993	3	2,055
Financial assets designated as at fair value through profit or loss	434	194		628
Available-for-sale investments	54,008	29,166	4,945	88,119
Financial assets	**88,080**	**31,741**	**5,597**	**125,418**
Financial liabilities				
Investment contracts with discretionary participation features for risk of policyholders		222		222
Investment contracts (for contracts at fair value)	2,018			2,018
Non-trading derivatives	1	5,779	22	5,802
Financial liabilities	**2,019**	**6,001**	**22**	**8,042**

Methods applied in determining the fair value of financial assets and liabilities at fair value (2021)

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investments for risk of policyholders	38,092	444	725	39,261
Non-trading derivatives	30	6,381	8	6,419
Financial assets designated as at fair value through profit or loss	823	168		991
Available-for-sale investments	69,336	34,656	3,891	107,883
Financial assets	**108,281**	**41,649**	**4,624**	**154,554**
Financial liabilities				
Investment contracts with discretionary participation features for risk of policyholders		259		259
Investment contracts (for contracts at fair value)	1,449			1,449
Non-trading derivatives	30	1,851	23	1,904
Financial liabilities	**1,479**	**2,110**	**23**	**3,612**

Level 1 – (Unadjusted) Quoted prices in active markets

This category includes financial instruments whose fair value is determined directly by reference to published quotes in an active market that NN Group can access. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

Level 2 – Valuation technique supported by observable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model), where inputs in the model are taken from an active market or are observable. If certain inputs in the model are unobservable the instrument is still classified in this category, provided that the impact of those unobservable inputs elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are modified based on other market observable external data and items whose value is derived from quoted prices but for which there was insufficient evidence of an active market.

Level 3 – Valuation technique supported by unobservable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model) for which more than an insignificant part of the inputs in terms of the overall valuation are not market observable. This category also includes financial assets and liabilities whose fair value is determined by reference to price quotes but for which the market is considered inactive. An instrument is classified in its entirety as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. Unobservable in this context means that there is little or no current market data available from which the price at which an orderly transaction would likely occur can be derived.

Changes in Level 3 Financial assets (2022)

Notes to the Condensed consolidated interim accounts continued

30 June 2022	Investments for risk of policyholders	Non-trading derivatives	Available-for-sale investments	Total
Level 3 Financial assets – opening balance	725	8	3,891	4,624
Amounts recognised in the profit and loss account	-57	-5	-14	-76
Revaluations recognised in other comprehensive income (equity)			278	278
Purchase			917	917
Sale	-19		-114	-133
Maturity/settlement			-2	-2
Changes in the composition of the group and other changes			1	1
Exchange rate differences			-12	-12
Level 3 Financial assets – closing balance	**649**	**3**	**4,945**	**5,597**

Changes in Level 3 Financial assets (2021)

31 December 2021	Investments for risk of policyholders	Non-trading derivatives	Available-for-sale investments	Total
Level 3 Financial assets – opening balance	787	22	2,680	3,489
Amounts recognised in the profit and loss account	-41	-14	-18	-73
Revaluations recognised in other comprehensive income (equity)			388	388
Purchase			1,097	1,097
Sale	-21		-50	-71
Maturity/settlement			-116	-116
Transfers into Level 3			11	11
Transfers out of Level 3			-120	-120
Exchange rate differences			19	19
Level 3 Financial assets – closing balance	**725**	**8**	**3,891**	**4,624**

Changes in Level 3 Financial liabilities

	30 June 2022	31 December 2021
Level 3 Financial liabilities – opening balance	23	42
Amounts recognised in the profit and loss account	-1	-19
Level 3 Financial liabilities – closing balance	**22**	**23**

Level 3 – Amounts recognised in the profit and loss account during the year (2022)

30 June 2022	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Investments for risk of policyholders	-57		-57
Non-trading derivatives	-5		-5
Available-for-sale investments	-14		-14
Financial assets	**-76**	**-**	**-76**
Financial liabilities			
Non-trading derivatives	-1		-1
Financial liabilities	**-1**	**-**	**-1**

Level 3 – Amounts recognised in the profit and loss account during the year (2021)

31 December 2021	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Investments for risk of policyholders	-41		-41
Non-trading derivatives	-14		-14
Available-for-sale investments	-18		-18
Financial assets	**-73**	**-**	**-73**
Financial liabilities			
Non-trading derivatives	-19		-19
Financial liabilities	**-19**	**-**	**-19**

Notes to the Condensed consolidated interim accounts continued

20 Companies and businesses acquired and divested

Acquisitions

MetLife's business in Poland and Greece

In July 2021, NN Group announced it had reached agreement to acquire 100% of MetLife's businesses in Poland and Greece as part of the strategy to strengthen NN Group's position in these growth markets. The acquisition was completed in the first half of 2022; Greece in January 2022 and Poland in April 2022. The initial accounting for the MetLife transaction is ongoing and as such all values are provisional. At 30 June 2022, the provisional amounts of the opening balance sheets are as follows:

Provisional amounts for the transaction at 30 June 2022

	MetLife Greece	MetLife Poland	Total
Consideration paid	**-123**	**-477**	**-600**
Investments	1,823	883	2,706
Other assets	115	186	301
Insurance liabilities	1,795	934	2,729
Other liabilities	41	52	93
New intangible assets	22	184	206
Fair value of net assets acquired	**124**	**267**	**391**
Negative goodwill recognised in profit and loss	1		1
Goodwill	**0**	**210**	**210**

The amount of revenue and profit of MetLife Greece and Poland since acquisition date and if the acquisition date had been at the start of 2022 are not significant.

Heinenoord

In July 2021, NN Group announced that it had reached an agreement to acquire a 70% stake in Dutch insurance broker and service provider Heinenoord, for a total consideration of EUR 179 million. In addition, NN Group refinanced the outstanding debt granted to Heinenoord for an amount of EUR 129 million. Furthermore, the agreement includes an option structure to acquire the remaining 30% of shares within four years following the closing of the transaction. The acquisition closed in October 2021 and was accounted for in 2021. Heinenoord is consolidated 100% by NN Group; a liability is recognised for the estimated remaining price to be paid under the put option of EUR 85 million. Intangible assets for the brand name and customer relationships were recognised for an amount of EUR 120 million. In addition, goodwill was recognised for an amount of EUR 294 million. There are no other assets and liabilities in the balance sheet of Heinenoord that are significant to NN Group. Heinenoord is included in the segment Netherlands Non-life.

Divestments

Bulgaria

In February 2021, NN Group announced that it has reached an agreement with KBC Group N.V. (KBC) to sell its Bulgarian operations for a total consideration of EUR 78 million to KBC's Bulgarian insurance business DZI. The transaction closed in July 2021. The sale did not have a significant impact on the net result, equity or the Solvency II ratio of NN Group.

NN IP

In August 2021, NN Group announced that it had reached an agreement to sell its asset management activities executed by NN Investment Partners (NN IP) to Goldman Sachs for total cash proceeds of EUR 1.7 billion. This transaction closed in April 2022. The results from NN IP are presented as Result from discontinued operations. Reference is made to Note 15 'Discontinued operations'.

Closed book portfolio NN Belgium

In November 2021, NN Group's subsidiary NN Insurance Belgium agreed to sell a closed book life portfolio to Athora Belgium. The closed book portfolio, comprising life insurance policies that are no longer being sold, reflect (at November 2021) approximately EUR 3.3 billion of assets and liabilities. The agreement has no impact on the services and guarantees that NN Group provides to its policyholders. The transaction is subject to customary conditions, including obtaining the necessary regulatory and competition clearances and consultation of the NN Belgium works council. Closing of the transaction is expected in the second half of 2022. Following the announced disposal, the closed book life portfolio is classified as Held for sale. Therefore, the assets and liabilities of the closed book life portfolio are presented in 'Assets held for sale' and 'Liabilities held for sale' in the balance sheet. Reference is made to Note 8 'Assets and liabilities held for sale'.

21 Subsequent and other events

Unit-linked products in the Netherlands

Reference is made to Note 45 'Legal proceedings' of the 2021 NN Group Annual Accounts for a description of legal proceedings with respect to unit-linked products in the Netherlands. Collective proceedings initiated by Woekerpolis.nl against Nationale-Nederlanden before the Court of Appeal in The Hague resumed. A final judgment in appeal is expected beginning of 2023.

In collective proceedings initiated by Wakkerpolis against Nationale-Nederlanden, the District Court of Rotterdam issued a final judgment in first instance on 20 July 2022. The Court considered that for policies taken out after 1 July 1994, Nationale-Nederlanden has generally complied with its information obligations towards its policyholders, leading to consensus between parties ('wilsovereenstemming') on initial costs. Only with respect to policies taken out before 1 July 1994, the Court concluded that Nationale-Nederlanden did not (fully) comply with its information obligations and, therefore, a contractual basis for settling initial costs is absent. NN has to recalculate these policies, as if the initial costs were never incurred, unless consensus between parties on initial costs can otherwise be established. For premium policies taken out between 1 July 1994 and 1 August 1999 that were surrendered early or converted into a paid-up policy, the Court ruled that settlement of initial costs upon surrender or conversion was allowed, but that Nationale-Nederlanden should apply a settlement period of five years instead of a settlement period of five to ten years, if that is more favourable for the policyholder. For policies taken out in the period 1 August 1999 onwards, the Court found that Nationale-Nederlanden sufficiently informed policyholders of the consequences of early surrender or conversion into a paid-up policy for the value of the policy. Although the judgment is largely in line with Nationale-Nederlanden's views, Nationale-Nederlanden disagrees with the Court on a number of points and will appeal. In the context of the ongoing proceedings against Nationale-Nederlanden, NN Group does not disclose further details on the (potential) financial impact of this judgement.

The judgment of 20 July 2022 mentioned above does not change earlier statements and conclusions disclosed by NN Group in relation to unit-linked products in general. Although the financial consequences could be substantial for the Dutch insurance business of NN Group and, as a result, may have a material adverse effect on NN Group's business, reputation, revenues, results of operations, solvency, financial condition and prospects, it is not possible to reliably estimate or quantify NN Group's overall exposures at this time.

ABN AMRO Life

In February 2022 NN Group, ABN AMRO Bank and their joint venture ABN AMRO Verzekeringen announced that they have reached an agreement to sell the life insurance subsidiary of ABN AMRO Verzekeringen to Nationale-Nederlanden Levensverzekering Maatschappij N.V. (NN Life). ABN AMRO Verzekeringen is a joint venture between NN Group (51%) and ABN AMRO Bank (49%). The life insurance subsidiary of ABN AMRO Verzekeringen is already consolidated by NN Group and, therefore, this transaction will not have significant impact on NN Group. This transaction was completed in July 2022.

Redemption of subordinated notes

On August 11, NN Life announces the early redemption of the outstanding EUR 500 million 9.0% Fixed to floating rate subordinated notes due 2042. The notes will be redeemed by NN Life in full at their principal amount together with any interest accrued on their first call date, 29 August 2022. NN Group will consider refinancing the notes in the context of optimising its capital structure.

22 Capital management

Solvency II

	30 June 2022	31 December 2021
Basic Own Funds	19,897	22,021
Non-available Own Funds	1,404	1,094
Eligible Own Funds to cover Solvency Capital Requirements (a)	**18,493**	**20,927**
– of which Tier 1 unrestricted	11,627	13,377
– of which Tier 1 restricted	1,788	1,875
– of which Tier 2	2,287	2,422
– of which Tier 3	973	848
– of which non-Solvency II regulated entities	1,818	2,404
Solvency Capital Requirements (b)	**9,455**	**9,840**
– of which from Solvency II entities	8,182	8,506
– of which from non-Solvency II entities	1,273	1,334
NN Group Solvency II ratio (a/b)[1]	**196%**	**213%**

1 The Solvency II ratio is not final until filed with the regulators. The Solvency II ratio of NN Group is based on the Partial Internal Model.

Authorisation of the Condensed consolidated interim accounts

The Hague, 10 August 2022

The Supervisory Board

D.A. (David) Cole, chair
H.M. (Hélène) Vletter-van Dort, vice-chair
I.K. (Inga) Beale
R.W. (Robert) Jenkins
R.J.W. (Rob) Lelieveld
C. (Cecilia) Reyes
J.W. (Hans) Schoen

The Executive Board

D.E. (David) Knibbe, CEO, chair
A.T.J. (Annemiek) van Melick, CFO, vice-chair

Independent auditor's review report

To: the Shareholders and the Supervisory Board of NN Group N.V.

Our conclusion
We have reviewed the accompanying condensed consolidated interim financial information as at 30 June 2022 of NN Group N.V. (or hereafter: the 'Company') based in The Hague, as included on pages 20 to 52 of the NN Group N.V. 30 June 2022 condensed consolidated interim financial information. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim accounts are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The condensed consolidated interim financial information comprise:

1. the condensed consolidated balance sheet as at 30 June 2022;
2. the condensed consolidated profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity for the six-month period ended 30 June 2022; and
3. the notes to the condensed consolidated interim accounts.

Basis for our conclusion
We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of NN Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Executive Board and the Supervisory Board for the condensed consolidated interim information
The Executive Board is responsible for the preparation and presentation of the condensed consolidated interim information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim information that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim information
Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Independent auditor's review report continued

Our review included among others:

- updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim information where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- obtaining an understanding in the internal control, as it relates to the preparation of the condensed consolidated interim information;
- making inquiries of management and others within the entity;
- applying analytical procedures with respect to information included in the condensed consolidated interim information;
- obtaining assurance evidence that the condensed consolidated interim information agrees with, or reconciles to the entity's underlying accounting records;
- evaluating the assurance evidence obtained;
- considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim information; and
- considering whether the condensed consolidated interim information have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amstelveen, 10 August 2022

KPMG Accountants N.V.

D. Korf RA

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Disclaimer

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

NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 of the Dutch Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the NN Group N.V. 2021 Annual Accounts, unless indicated otherwise in Note 1 'Accounting policies' in the Condensed consolidated financial information for the period ended 30 June 2022.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) the effects of the Covid-19 pandemic and related response measures, including lockdowns and travel restrictions, on economic conditions in countries in which NN Group operates, on NN Group's business and operations and on NN Group's employees, customers and counterparties (3) changes in performance of financial markets, including developing markets, (4) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations and the interpretation and application thereof, (14) changes in the policies and actions of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies, (19) catastrophes and terrorist-related events, (20) adverse developments in legal and other proceedings and (21) the other risks and uncertainties contained in recent public disclosures made by NN Group.

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

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