

**Speech of
David Knibbe at
NN AGM held on
19 May 2022**



The spoken word prevails.

“Good morning everyone.

I hope you are well. After two years in a row of having a virtual annual general meeting, we are happy to be able to welcome our shareholders today in person again as well as virtually. In my presentation today, I will first reflect on the recent developments in the world and how we navigate these times of change.

After that, I will look back on how our company performed in 2021, how we continue to focus on creating value for all our stakeholders, and our priorities for the coming years. As part of that, I will update you on our responsible investing approach and more specifically on climate action.

Our operating environment

In many ways, these are times of rapid change... The world is witnessing several longer-term economic, social, geo-political and technological developments. Most of those developments have limited direct impact on our company, but they can have far-reaching consequences for our customers and the societies in which we operate. And it is in times like these that we can make a difference for our customers and other stakeholders, and help them care for what matters most to them.

In 2021, the pandemic entered its second year and continued to dominate daily life. The loosening of lockdown restrictions fueled a global economic rebound. Recovery however has been uneven, due to a variety of factors including differences in vaccination rates between countries, supply shortages and a rise in energy prices.

Inflation has risen in many parts of the world, ending a prolonged period of low inflation. Central banks are responding by announcing interest rate increases and starting to phase out stimulus programmes. It is still unclear whether the high inflation is structural and whether or not interest rate rises will be temporary. And, in the beginning of this year, the war in Ukraine of course caused new dynamics in global markets.

Let me take this opportunity to say that our thoughts are with everyone affected by the war in Ukraine in the past 3 months. The impact on people's lives has been devastating.

As NN, we have activities in 4 countries that border Ukraine, but we do not have business activities in Ukraine or Russia. Our activities have not been directly affected and our direct investment exposure is limited. However we support the people in Ukraine and the refugees where we can. For example, as a company, but also NN colleagues individually, we have made donations of around 2 million euros to humanitarian aid relief, spread across local and international organisations.

Looking back on recent years, I think it is fair to say that many of the old ways of doing things will probably not be the ways of the future...

For instance, there's increased attention for risk around health and living. The pandemic has prompted people to reflect on the risks in their lives: what happens if I cannot work, or if somebody in my family falls ill?

This increased risk awareness has led to a higher demand for protection products; which in turn has led to growth in new business.

We were able to welcome new customers in 2021, and we also saw higher retention rates among existing customers.

Strong financial and commercial performance in 2021

When launching our new strategy in 2020, we announced a set of financial targets to monitor our ambitions for growth and profitability.

We aim to achieve operating capital generation – or OCG – of 1.5 billion euros in 2023. In 2021, we reported OCG of almost 1.6 billion euros. Please note that this included the OCG of our asset manager NNIP which was sold to Goldman Sachs last month, so, excluding that, OCG was just short our target.

Our commercial and financial performance was strong across all business segments in 2021.

Let me share a couple of highlights. In the Netherlands, our Life & Pensions business again posted strong results. We are capturing the growth opportunities in the Dutch pension market with a strong increase in Defined Contribution assets.

The Non-life business in particular posted strong underwriting results. As the number 1 player in the Dutch non-life market, we are in a unique position to benefit from our scale in terms of efficiency and underwriting.

The results of Insurance Europe increased substantially, reflecting higher life and pension fees across the region. The strong market recovery from low sales in 2020 resulted in higher sales in Japan. Value of new business in both international units grew strongly over the year.

The Dutch housing market is experiencing growth with house prices rising steeply, and there is fierce competition among mortgage providers. Despite this, NN Bank originated a record volume of high-quality mortgages of almost 10 billion euros in 2021.

The asset manager saw a healthy inflow of third-party mandates in 2021, which is testament to the professionalism of our former colleagues at NN Investment Partners. The sale of our asset manager to Goldman Sachs Group was completed in April of this year. As part of the 10-year partnership with Goldman Sachs Asset Management, the combined company will continue to provide selected asset management services to NN.

The transaction will provide NN with the flexibility to develop a broader range of asset management propositions for our customers.

We recently also completed the acquisition of MetLife in Poland and Greece. The acquisition in these countries, where we already have a strong presence, gives us additional scale and distribution benefits.

In addition, we acquired a 70% stake in Heinenoord in the Netherlands, in order to strengthen our distribution capabilities and reinforce our position in the Dutch non-life market. And in February this year, we acquired ABN AMRO Verzekeringen's life insurance subsidiary.

Furthermore, we divested our Bulgarian business and we took the decision to sell the closed book life portfolio of NN Belgium.

Following these acquisitions and divestments, our portfolio of businesses is now more strongly positioned towards growth and we generated excess cash.

At the same time we are keeping our 2023 targets intact, given the contribution from the acquired businesses as well as ongoing strong performance across the group. We expect that the organic growth drivers that support our businesses will enable us to achieve mid-single-digit annual growth of operating capital generation in the long term, with all business segments contributing to this growth.

Strategic commitments for all stakeholders

Our financial performance is strong, but a company's success is not mapped by this alone. It is also defined by the speed and agility with which we align ourselves to our environment.

It is our ambition to be an industry leader known for our customer engagement, talented people and contribution to society. It is key to further accelerate progress in these areas and while we do that, create value for all our stakeholders.

In 2021, our customer satisfaction scores increased, with 5 business units scoring an above market average Net Promoter Score, and 3 in line with the market. This shows we are on the right track, but as we aim to have 11 of our business units score above market average in 2023, there is more work to do.

Our priorities during the pandemic have been on serving our customers and business partners and the health and well-being of our employees. We supported our colleagues in finding a proper balance between personal life and work during the lockdowns. We have seen our employee engagement remaining stable at a high level.

With regard to gender diversity, 34% of senior management positions are held by women, which is below our target of 40% by 2023.

To close this gap, we are investing in talent management and succession planning, awareness training and extended paternity leave policies across our markets.

We want to continue to be able to attract and retain talented employees in order to achieve our ambitions. This has become more challenging in the current tight labour

market. Therefore we identify employee needs and invest in the right mix of technologies and employment models. At the same time, creating and preserving an open, safe and inclusive working environment and culture remains a high priority.

With regard to our commitment to society, we want to contribute to the well-being of people and the planet. One of our goals is to contribute 1% of our operating result to our local communities.

Last year, we provided 8 million euros in total to initiatives around financial well-being, physical and mental well-being, and a sustainable planet.

I am proud that so many of our colleagues volunteered in total over 13,000 hours of their time. Moving forward, we will continue to scale up our efforts to support positive social change.

Climate change and our net-zero commitments

As announced, I would also like to present an outline of our approach to climate change, our net-zero ambitions for 2050, intermediate targets and progress made in 2021.

The effects of climate change are clear to all of us. Natural disasters caused by extreme weather hit many of our markets during the summer of 2021. Across Europe, floods caused by heavy rainfall impacted our customers in Belgium and the Netherlands. While in Greece and Turkey, a severe heatwave led to wildfires. It is our role as an insurance company to help and protect people in these situations – and that's what we will continue to do.

Sustainability, including climate change, is embedded in our strategy and is a topic that has been high on our agenda for many years. We announced our ambition to achieve net-zero greenhouse gas emissions across our activities by 2050 at the latest. This means that we are taking actions in our own business operations, our investment portfolio, as well as in our products and services.

Although not our biggest impact, we aim to reduce the emissions from our own operations by 35% by 2025 and by 70% by 2030, compared with 2019 levels. This will lead to net-zero operations by 2040. We will achieve these targets by implementing further energy efficiency measures, as well as adjusted business travel policies. For instance, in the Netherlands we plan to have a fully electric car fleet by 2025.

When presenting our new strategy 2 years ago, we also launched our ambition to transition our proprietary investments portfolio to net-zero carbon emissions by 2050. As an asset owner, we believe that we can make a difference by helping the real economy to decarbonise.

In 2021, in line with the framework of the Institutional Investors Group on Climate Change, we developed Paris Alignment strategies for different asset classes, including sovereign bonds, corporate investments and real estate. Currently, we are working on a Paris Alignment strategy for residential real estate.

For our corporate investment portfolio -- which comprises equity and corporate fixed income -- we set interim reduction targets of 25% by 2025, and 45% by 2030 – this is measured against the baseline in 2019.

We developed a methodology to categorise companies based on their alignment or potential alignment with the Paris Agreement.

For new investments, we take a best-in-class approach, so we prefer to invest in companies that are better positioned to meet the Paris climate targets. Investing in frontrunners, you could say.

For existing assets, we conduct an active dialogue and engagement with companies to support their transition to a sustainable business model. We believe this offers the best opportunity to drive change.

We do this individually, or in collaboration with other institutional investors, amongst others the Climate Action 100+ initiative.

Investing in climate solutions is another important component of our strategy. We have set a target to invest at least an additional 6 billion euros by 2030. This means we are doubling our current investments in green bonds, renewable energy projects – such as solar or wind farms, and energy efficient real estate.

For example, we recently announced a 500 million euro commitment to develop new build houses in the Netherlands. By being involved at an early stage, we can push the developers to meet the highest environmental standards, whilst also encouraging more affordable housing in the Netherlands.

To align our ambition on the insurance (underwriting) side with our commitment for investments, we joined the Net-Zero Insurance Alliance in 2021. Through this membership we aim to transition our underwriting portfolio to net zero by 2050. In the course of this year we will pool our knowledge with other large insurance companies to develop metrics and set targets.

To support our customers, we are embedding sustainability into our products and services. This ranges from sustainable pension products, to products in the field of burnout prevention. And our bank's sustainable mortgage label, Woonnu, assists our customers in making their houses more energy efficient.

To sum up, we are committed to take action in all areas of our business with the aim of limiting the impact of climate change. This is embedded in our strategy and in our day-to-day activities. We have set ourselves ambitious targets to achieve real change. These climate-related targets, along with our other non-financial metrics, are monitored internally on a regular basis and reviewed annually by our external auditor.

We will continue to report on our progress against these targets so that you – our shareholders – and all our stakeholders can follow our achievements.

Attractive and growing capital returns

One of our financial targets is to generate free cash flow in a range around OCG over time. And to deploy that capital to provide attractive returns to our shareholders.

This is reflected in our dividend policy which aims for a progressive dividend per share, and a minimum annual share buyback of 250 million euros.

Any additional excess capital will also be returned to shareholders, unless it can be used for value creating opportunities.

For 2021, we have proposed a final dividend of 1 euro 56 cents per ordinary share. In September 2021 we paid an interim dividend of 93 euro cents per ordinary share, bringing the total 2021 dividend to 2 euro 49 cents per ordinary share. This is an increase of 7% on 20-20.

You can see our strong track record of progressive dividends in the chart on this slide.

In February of this year, we also announced new share buyback programmes for a total amount of 1.0 billion euros, of which the 250 million programme started on 1 March and the remaining 750 million on the completion of the sale of NN IP in early April.

Share price performance

We are committed to achieving resilient growth and cash generation over time, which allows us to deliver substantial capital returns to shareholders.

In 2021, we paid out total dividends of around 741 million euros and executed a 250 million share buyback.

In our view, the financial sector has an important role to play in society.

Therefore, we remain committed to contributing to a fast, fair and sustainable recovery following the pandemic.

Our company has been around for more than 175 years in which it weathered many disruptive events. We are in good shape, and we have laid the groundwork for long-term, sustainable growth. We will continue to execute our strategy, focusing on creating value for all our stakeholders.

I would like to thank our colleagues for their extraordinary efforts, and especially express my deep appreciation for our CFO, Delfin Rueda, who will leave NN in July. Delfin has, during his ten years with the company, contributed in a crucial way to transforming NN into the strong international player it is today.

To me personally, Delfin played an instrumental role in onboarding me in my new role.

And finally, a special word of thanks to you, our shareholders for your unwavering loyalty and support.

With our talented employees, our strong financial foundation and the trust of you and other stakeholders, we are looking toward the future with continued confidence.

Thank you very much.”

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