



# Annual General Meeting NN Group N.V.

The Hague, 31 May 2018



# Agenda item 1

## Opening

# Welcome on behalf of the Management Board



**Lard Friese \***  
Chief Executive Officer (CEO)



**Jan-Hendrik Erasmus**  
Chief Risk Officer and Global IT



**Delfin Rueda \***  
Chief Financial Officer (CFO)



**Robin Spencer \*\***  
CEO International Insurance



**David Knibbe**  
CEO Netherlands



**Satish Bapat**  
CEO NN Investment Partners



**Dorothee van Vredenburg**  
Chief Change and Organisation

- \* Member of the Executive Board
- \*\* Will step down as of 1 June 2018

# Agenda item 2

## 2017 Annual Report

See 2017 Annual Review

See 2017 Financial Report



## **NN Group 2017 Annual Report 'Combining strengths'**

**Lard Friese, CEO NN Group**

Annual General Meeting, The Hague, 31 May 2018

# The 2017 Annual Report provides an integrated review of the performance of our company

2017 theme: **'Combining strengths'**

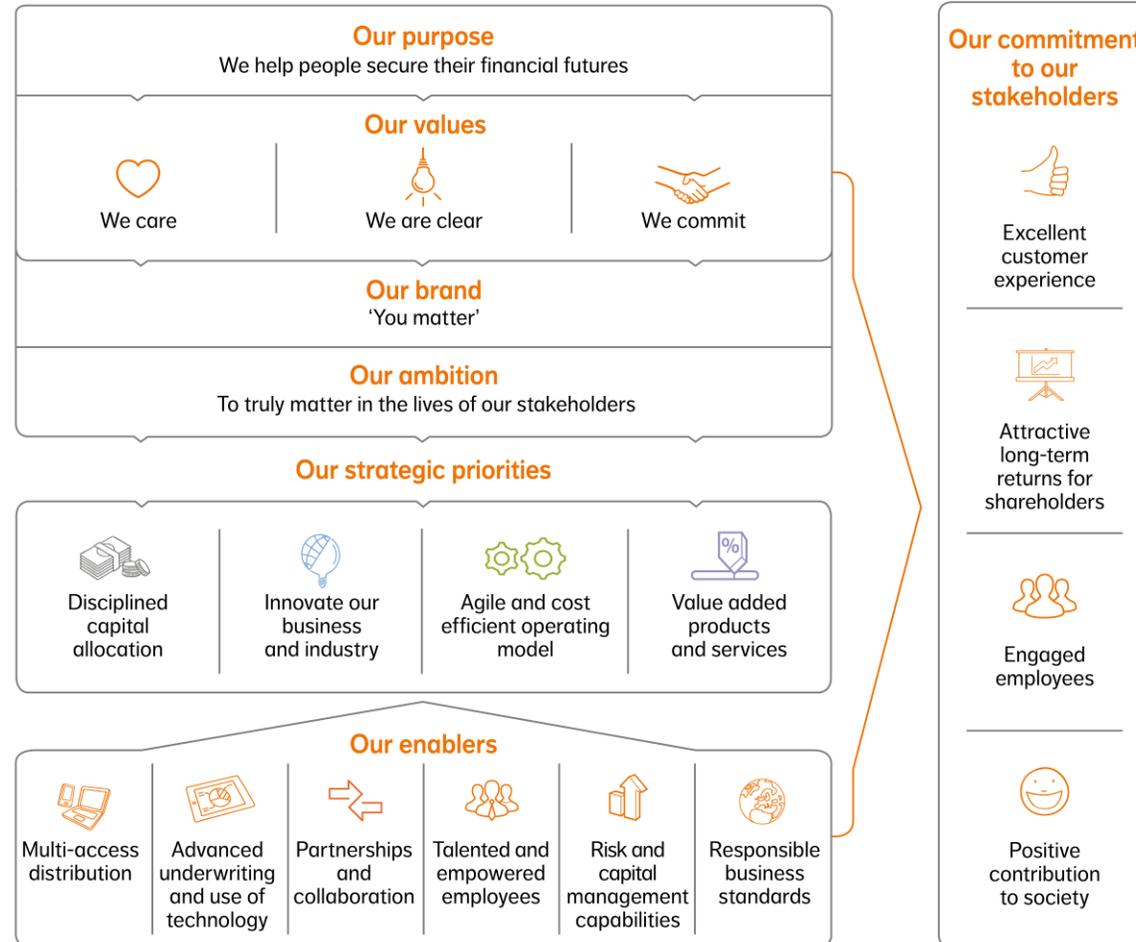
The report was drawn up in accordance with:

- Applicable Dutch law and IFRS
- Global Reporting Initiative's Sustainability Standards
- Guidelines of the International Integrated Reporting Council
- The revised Corporate Governance Code

We endorse the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and made progress in integrating them in our own reporting



# NN Group's strategy framework



# Further improve performance and create long-term value



Disciplined capital allocation



Innovate our business and our industry

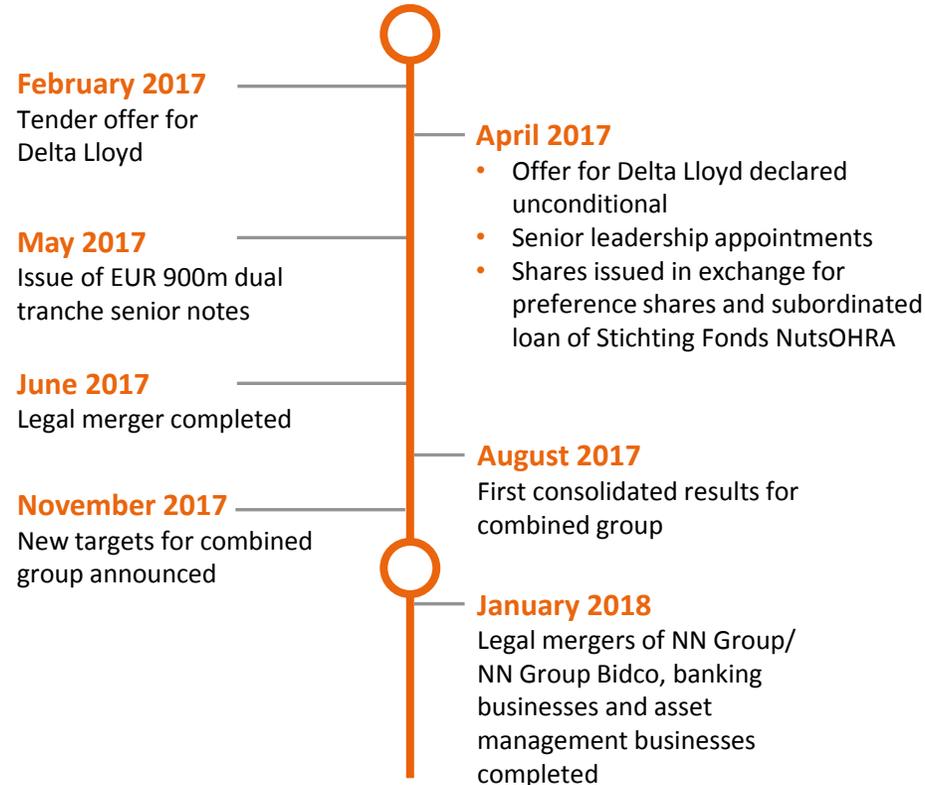


Agile and cost-efficient operating model



Value-added products and services

# The integration of Delta Lloyd is well on track



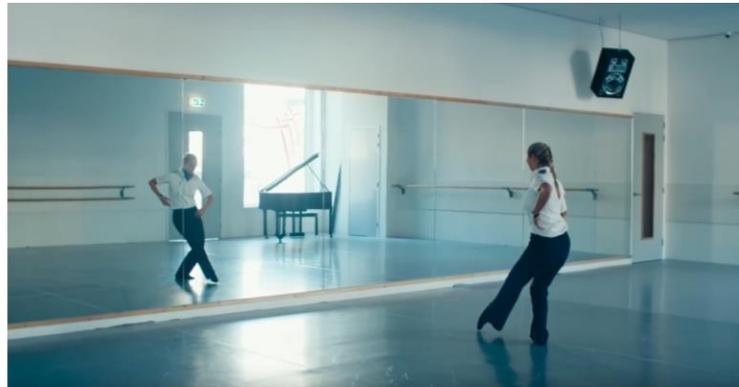
- Integration of management teams
- Several departments fully integrated
- Legal mergers of banking, asset management, and Belgian life insurance businesses completed
- Integration of Dutch works councils completed
- Selected Delta Lloyd office locations vacated
- Reduction of ~900 internal and external FTE in the Netherlands and Belgium in 2017<sup>1</sup>
- Products and services are rebranded from Delta Lloyd to NN
- Cost reduction of EUR 175m to date versus cost reduction guidance of EUR 400m by 2020

1. Excluding FTE reduction following sale of Mandema & Partners.

# Netherlands: digital, personal and relevant



How well do we know our customers?



# International: enhancing our customer experience through innovation

- **Innovating our business**

Investing in our core skills

- **Multi-access distribution**

Collaborations, partnerships and distribution agreements



# Asset Management: focus on core investment capabilities

- **Dutch online execution-only platform 'FitVermogen'**  
Development of robo-profiling capacity

- **New propositions**  
Environmental, social and governance (ESG) strategies are increasingly important





**+17**

**Net Promoter Score**  
(2016: +2)

**EUR 10.9bn**

**Assets under Management  
in SRI funds/mandates**  
(2016: EUR 5bn)



**100%**

**NN Group was CO<sub>2</sub>  
neutral throughout 2017**  
(2016: 100% neutral)

**66%**

**Employee  
engagement**  
(2016: 71%)



**2017**  
Full-year  
non-financial  
key figures

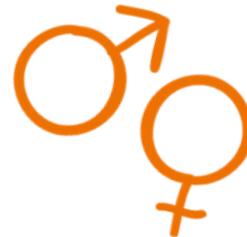
**37,208**

**Young people reached via  
NN Future Matters**  
(2016: 27,529)



**EUR 2.4m**

**Donations to charitable  
organisations**  
(2016: EUR 1.5m)



**Equal opportunities and diversity**

- In 2017, 48% of our total workforce was female
- Of our senior leaders, 32% was female and 35% had a non-Dutch nationality

# Corporate Citizenship: our role in society

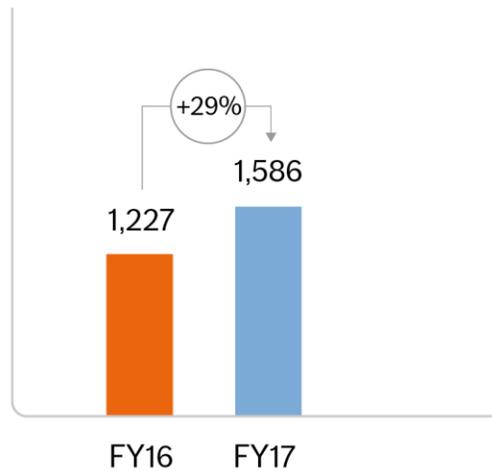
We contribute to society and invest in communities

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

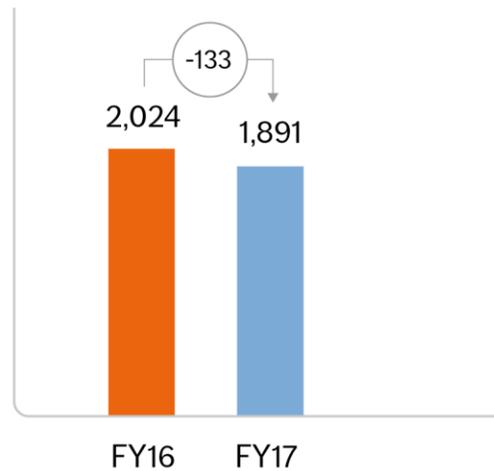


# Full year 2017 financial developments

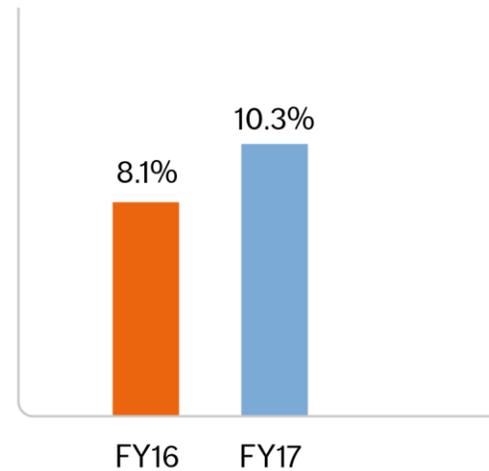
## Annual earnings<sup>1</sup> growth (EURm)



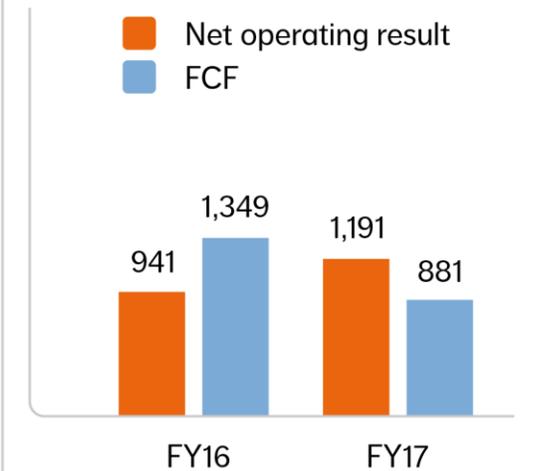
## Administrative expense base<sup>2</sup> (EURm)



## Net operating RoE (%)



## Free cash available to shareholders versus net operating result of the ongoing business (EURm)



Note: FY16 numbers are for NN Group standalone, apart from administrative expenses which include the expenses of Delta Lloyd restated to NN Group reporting treatment; FY17 numbers include Delta Lloyd since 1 April 2017

1. Operating result before tax ongoing business

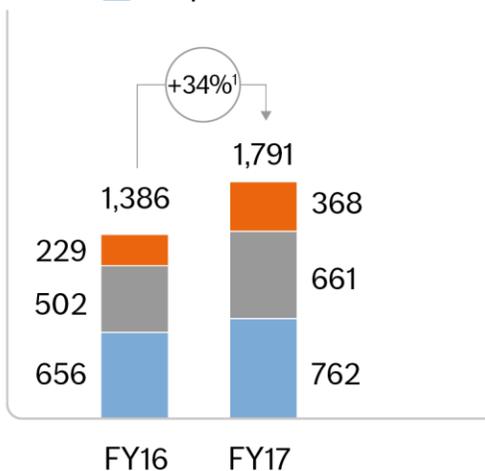
2. Administrative expenses of Netherlands Life, Netherlands Non-life, Belgium, Asset Management, Banking business and Corporate/Holding

# Commercial progress in 2017

## New sales (APE)

(EURm)

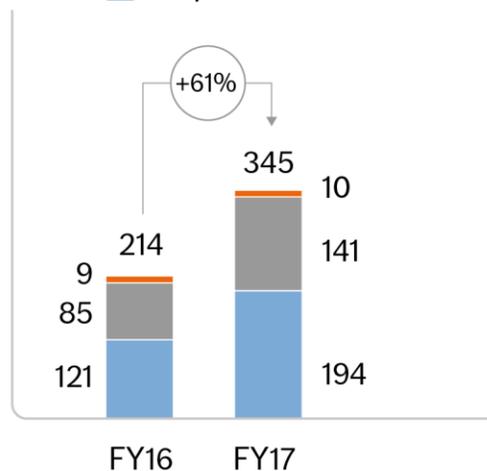
- Netherlands Life
- Insurance Europe
- Japan Life



## Value of new business

(EURm)

- Netherlands Life
- Insurance Europe
- Japan Life

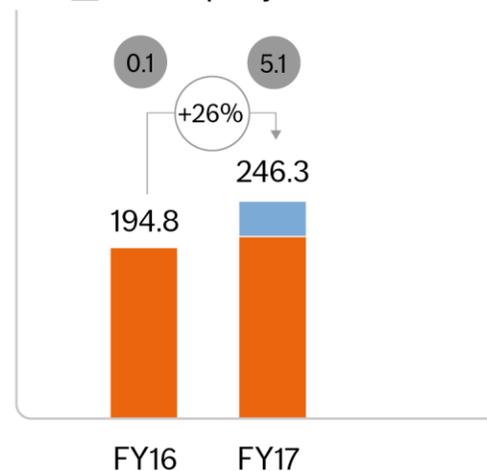


## NN Investment Partners

### AuM

(EURbn)

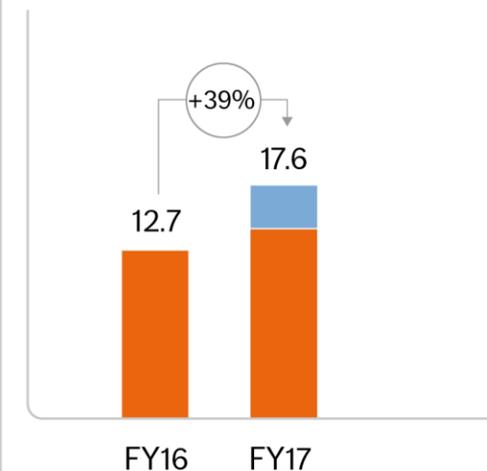
- NN
- DL
- Third party net flows



## Banking business mortgage portfolio

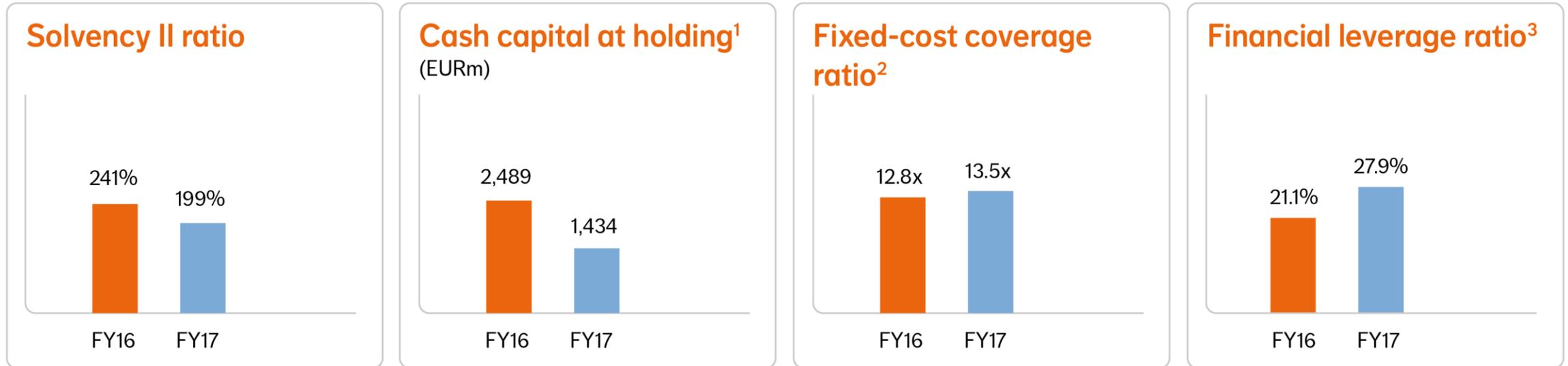
(EURbn)

- NN
- DL



1. At constant currencies

# Solid ratios and disciplined capital management



- Solvency II ratio solid at 199%, following the acquisition of Delta Lloyd, and reflects the deduction of the proposed 2017 final dividend
- The change in the cash capital position reflects, among other things, the cash payment for the acquisition of Delta Lloyd, and the repayment of the Delta Lloyd senior notes for an amount of EUR 575m in November 2017

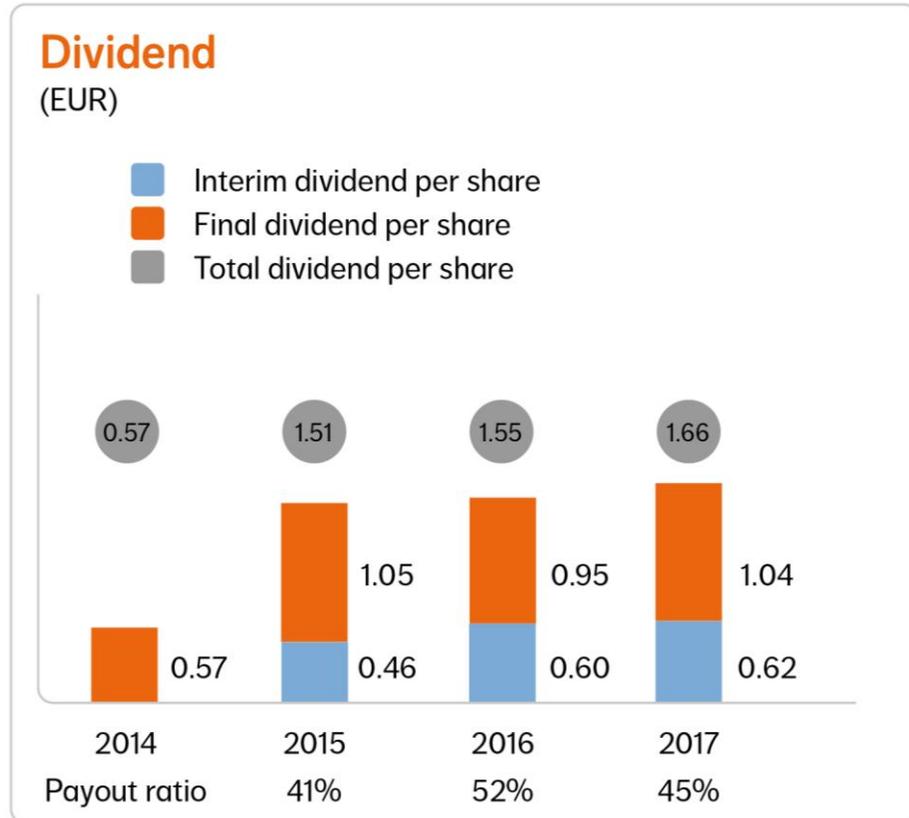
All numbers at end of period

1. Cash capital is defined as net current assets available at the holding company

2. Calculated on a last 12-months basis

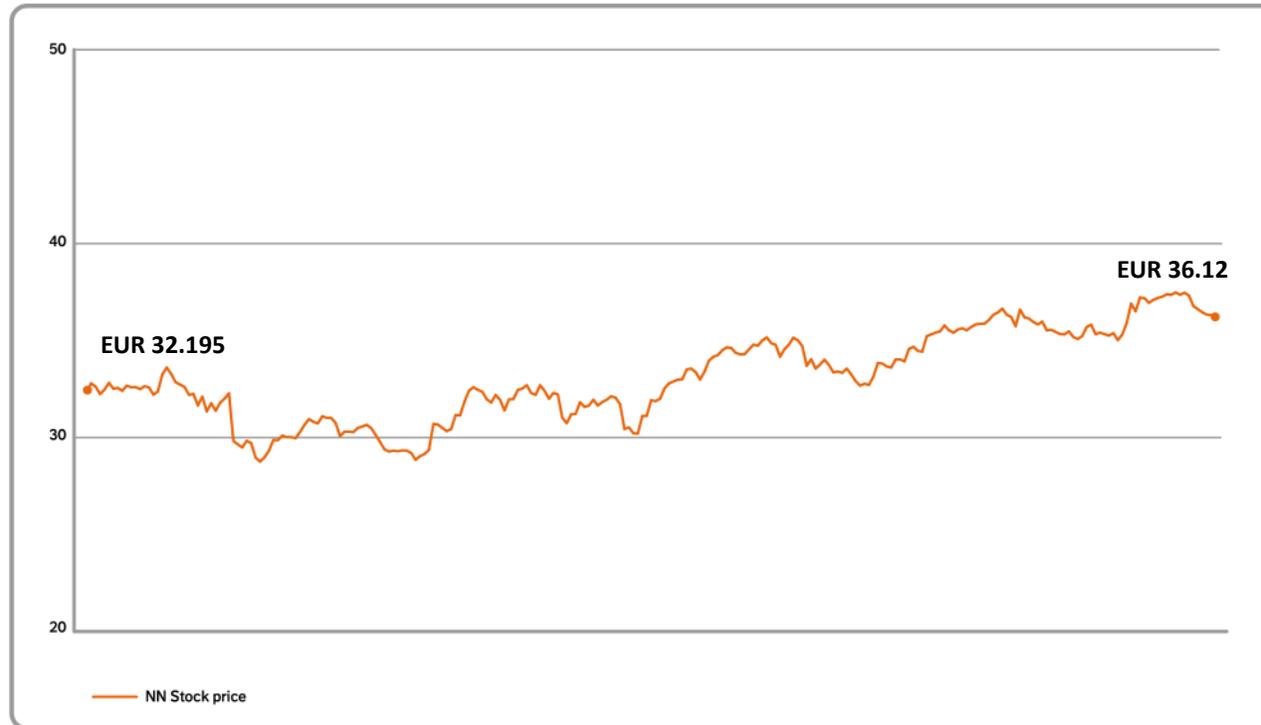
3. As of 2Q17, goodwill is no longer deducted from the capital base for financial leverage and historical figures have been updated to reflect this change.

# Delivering a sustainable dividend



- Priority is a sustainable ordinary dividend per share
- Proposed 2017 final dividend of EUR 1.04 per share, bringing the full-year 2017 dividend to EUR 1.66 per share, up 7% on the 2016 dividend per share
- Equivalent to a pay-out ratio of around 45% of full-year 2017 net operating result of ongoing business
- Since the IPO, EUR 2.7bn of capital returned to shareholders, including proposed 2017 final dividend
- Double-digit increase in dividend per share anticipated for 2018 versus 2017
- Excess capital returned to shareholders, unless it can be used for value creating opportunities

# Development of the NN Group share price in 2017



## Total Shareholder Return

- 2017 17.3%
- IPO – 31 December 2017: 101.9%

# Highlights 1Q18

Operating result

**EUR 313m**

(1Q17: EUR 406m)

Net result

**EUR 399m**

(1Q17: EUR 435m)

Solvency II ratio

**213%**

(4Q17: 199%)

Holdco cash capital

**EUR 1.6bn**

(4Q17: EUR 1.4bn)

- Operating result of the ongoing business reflects EUR 89m impact of the January storm
- Net result reflects the lower operating result and higher special items, partly compensated by higher revaluations
- Cost reductions at business units in scope of integration of EUR 42m in 1Q18; total cost reductions to date of EUR 175m
- Solvency II ratio at 213%; holding company cash capital at EUR 1,631m
- Total new sales (APE) of EUR 547m, down 7.8% from 1Q17 at constant currencies, reflecting lower volume of group pension contracts up for renewal at Netherlands Life, partly compensated by higher sales at Insurance Europe

# Creating long-term value

## 2017 was a memorable year for NN Group

- We succeeded in **further strengthening our business and solidified our positions** in the Netherlands and Belgium through the acquisition of Delta Lloyd
- We will continue to further **improve our overall financial and non-financial performance**, deliver excellent customer service and innovate the business
- A top priority is to deliver on the Delta Lloyd transaction and continue **rational capital allocation**
- NN Group aims to be a company that **truly matters in the lives of our stakeholders**: customers, shareholders, employees, business partners, and society at large



**NN**

# Agenda item 3

## Corporate Governance

- The revised Corporate Governance Code was published on 8 December 2016
- Embedded in Dutch law on 7 September 2017
- Obligation to render account of compliance with the Code in the report of the Management Board for 2017
- Recommendation of the Monitoring Committee Corporate Governance to outline the company's corporate governance structure and compliance with the Code in the financial year 2017 during AGM 2018



See pages 19 through 27 of the 2017 Financial Report (Corporate Governance chapter). For NN Group's compliance with the Code, see 'Application of the Dutch Corporate Governance Code by NN Group, Financial Year 2017' on our website.

# Agenda item 4

## Implementation of the remuneration policy during the financial year 2017

- Explanation of the implementation of the remuneration policy for the members of the Executive Board during the financial year 2017 pursuant to section 2:135 paragraph 5a of the Dutch Civil Code
- The explanation is based on the relevant information referred to in section 2:383c through section 2:383e of the Dutch Civil Code, as included in the Remuneration Report and note 47 to the 2017 annual accounts
- See pages 28 through 32, and 126 through 128, of the 2017 Financial Report
  
- A clear and transparent remuneration policy to attract and retain qualified employees
- Remuneration policy for the Executive Board: a fixed salary and a variable reward of up to 20%
- Fixed salary: 80% in cash; 20% in NN Group shares
- Variable remuneration: based on the outcome of NN Group performance indicators and individual performance indicators (financial and non-financial)

# 68.26 % represented at today's AGM

- On Record Date, 3 May 2018, the issued capital of NN Group consisted of 334,573,458 ordinary shares
- No votes can be cast on 199,823 ordinary shares as those shares were held by NN Group on Record Date
- Consequently, a total of 334,373,635 votes are eligible for casting
- In total, 228,240,295 votes can be cast during today's meeting
- 226,239,343 votes will be cast by Ms M.A.J. Cremers, civil-law notary in Amsterdam, by means of proxy via the electronic voting platform

# Agenda item 5.A – Voting item

## 2017 annual accounts

### 5.A Proposal to adopt the annual accounts for the financial year 2017

- It is proposed to adopt the annual accounts of NN Group for the financial year 2017
- See pages 36 through 179 of the 2017 Financial Report

# External auditor on annual accounts

Placeholder slide

# Voting / Stemmen

## Insert the card with the gold chip pointing towards you

When you are invited to vote, the options will appear on the device screen

## Voer de kaart in met de gouden chip naar u toe

Wanneer u wordt uitgenodigd om te stemmen, verschijnen de opties in het beeldscherm



# Voting / Stemmen

- **Button 1 to vote in favour**
- **Button 2 to vote against**
- **Button 3 to abstain**

Confirmation will appear on the screen  
To change your vote, simply enter your new choice

- **Toets 1 om voor te stemmen**
- **Toets 2 om tegen te stemmen**
- **Toets 3 voor onthouding**

Een bevestiging dat uw stem is ontvangen, verschijnt

Om uw stem te wijzigen, drukt u opnieuw op een toets



# Agenda item 5.A – Voting item

## 2017 annual accounts

### 5.A Proposal to adopt the annual accounts for the financial year 2017

- It is proposed to adopt the annual accounts of NN Group for the financial year 2017
- See pages 36 through 179 of the 2017 Financial Report

# Agenda item 5.A - Voting result

	Number	%
In favour	228,059,815	99.92%
Against	179,740	0.08%
Abstain	740	

# Agenda item 5.B

## 2017 annual accounts

### 5.B Explanation of the profit retention and distribution policy

- Explanation of the profit retention and distribution policy of NN Group
- This policy can be found on [www.nn-group.com](http://www.nn-group.com)
  - NN Group intends to pay an ordinary dividend in line with its medium financial performance and envisages an ordinary dividend pay-out ratio of 40–50%
  - Dividends to be paid either in cash or ordinary shares
  - NN Group intends to neutralise the dilutive effect of the stock dividend
  - Capital generated in excess of our capital ambition expected to be returned to shareholders, unless it can be used for other appropriate corporate purposes
  - Excess capital will be distributed in the most appropriate and efficient form for shareholders
  - No requirement or assurance that any dividends will be paid

# Agenda item 5.C – Voting item

## 2017 annual accounts

### 5.C Proposal to pay out dividend

- Proposed 2017 final dividend of EUR 1.04 per ordinary share
- 2017 interim dividend of EUR 0.62 per ordinary share paid September 2017
- Total dividend for 2017 of EUR 1.66 per ordinary share
- Dividend pay-out ratio of around 45% of NN Group's full-year 2017 net operating result of the ongoing business

# Agenda item 5.C - Voting result

	Number	%
In favour	228,012,907	99.90%
Against	226,659	0.10%
Abstain	729	

# Agenda item 6.A – Voting item

## Release from liability

### **6.A Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2017**

- It is proposed to release the members of the Executive Board from liability for their respective duties performed during the financial year 2017, insofar as the exercise of those duties is reflected in the 2017 annual accounts or otherwise disclosed prior to taking this resolution

# Agenda item 6.A - Voting result

	Number	%
In favour	224,058,151	99.07%
Against	2,103,663	0.93%
Abstain	2,078,481	

# Agenda item 6.B – Voting item

## Release from liability

### **6.B Proposal to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2017**

- It is proposed to release the members of the Supervisory Board from liability for their respective duties performed during the financial year 2017, insofar as the exercise of those duties is reflected in the 2017 annual accounts or otherwise disclosed prior to taking this resolution.

# Agenda item 6.B - Voting result

	Number	%
In favour	224,058,141	99.07%
Against	2,103,683	0.93%
Abstain	2,078,471	

# Agenda item 7

## Notice of the intended reappointment of Delfin Rueda as member of the Executive Board

- The term of appointment of Delfin Rueda as member of the Executive Board ends at the close of this meeting
- The Supervisory Board gives notice of its intention to reappoint Delfin Rueda as member of the Executive Board for a term of four years, which will end at the close of the annual general meeting to be held in 2022
- The Supervisory Board also has the intention to designate Delfin Rueda again as Chief Financial Officer of NN Group and as vice-chair of the Executive Board for the same term
- Delfin Rueda is nominated for reappointment on the basis of:
  - his international experience in the financial industry, especially in the insurance sector
  - his professionalism and extensive knowledge
  - his leadership profile and experience as an Executive Board member

# Agenda item 7

## 7. Notice of the intended reappointment of Delfin Rueda as member of the Executive Board

### Profile Delfin Rueda (1964; Spanish)

- CFO NN Group; vice-chair of the Executive Board and Management Board
- Former CFO and member of the Management Board ING Insurance
- Former CFO and member of the Management Board ING Insurance/Investment Management EurAsia
- Former Chief Financial and Risk Officer and member of the Management Board at Atradius

### Other position

- Member of the Supervisory Board and chair of the audit committee of the Supervisory Board of Adyen



# Agenda item 8.A – Voting item

## Composition of the Supervisory Board

### 8.A Proposal to reappoint Heijo Hauser as member of the Supervisory Board

- In accordance with the rotation schedule of the Supervisory Board, the term of appointment of Heijo Hauser ends at the close of this meeting
- The Supervisory Board therefore announces that a vacancy on the Supervisory Board needs to be filled
- Heijo Hauser is nominated for reappointment on the basis of:
  - his knowledge of and (management) experience in the insurance and pension sector
  - his experience as advisor of the board of (multinational) companies
  - his actuarial and risk management knowledge
  - the professional manner in which he fulfils his duties as a member of the Supervisory Board

# Agenda item 8.A

## 8.A Proposal to reappoint Heijo Hauser as member of the Supervisory Board

- His nomination for reappointment is in accordance with the profile of the Supervisory Board
- Independent within the meaning of the Code

### Other position

- Chair of the Board of Freundeskreis Elisabeth-Hospiz e.V.



# Agenda item 8.A - Voting result

	Number	%
In favour	221,790,555	97.98%
Against	4,572,678	2.02%
Abstain	1,877,062	

# Agenda item 8.B – Voting item

## Composition of the Supervisory Board

### 8.B Proposal to reappoint Hans Schoen as member of the Supervisory Board

- In accordance with the rotation schedule of the Supervisory Board, the term of appointment of Hans Schoen ends at the close of this meeting
- The Supervisory Board therefore announces that a vacancy on the Supervisory Board needs to be filled
- Hans Schoen is nominated for reappointment on the basis of:
  - his in-depth knowledge of the insurance and pension sector
  - his expertise in the field of financial reporting of insurance companies and pension funds
  - the professional manner in which he fulfils his membership of the Supervisory Board

# Agenda item 8.B

## 8.B Proposal to reappoint Hans Schoen as member of the Supervisory Board

- His nomination for reappointment is in accordance with the profile of the Supervisory Board
- Independent within the meaning of the Code



# Agenda item 8.B - Voting result

	Number	%
In favour	221,791,137	97.98%
Against	4,571,441	2.02%
Abstain	1,877,717	

# Agenda item 8.C – Voting item

## Composition of the Supervisory Board

### 8.C Proposal to appoint David Cole as member of the Supervisory Board

- Yvonne van Rooij will step down as member of the Supervisory Board at the close of this meeting
- Therefore a vacancy on the Supervisory Board needs to be filled and the Supervisory Board has nominated David Cole, whose appointment would become effective as of 1 January 2019
- David Cole is nominated on the basis of:
  - his extensive international experience in the insurance and banking sector
  - his experience as board member and Supervisory Board member
  - his in-depth knowledge of banking and insurance services

# Agenda item 8.C

## Profile David Cole (1961; Dutch, American)

- Former chief financial officer and chief risk officer of Swiss Re Ltd.
- Chief financial officer and chief risk officer of former ABN AMRO Holding N.V.
- Member of the board of directors of FWD Group Management Holdings Ltd., Vontobel Holding AG, and Swiss Re Asia Pte. Ltd.
- Member of the supervisory board of IMC B.V.
  
- His nomination for reappointment is in accordance with the profile of the Supervisory Board
- Independent within the meaning of the Code



# Agenda item 8.C - Voting result

	Number	%
In favour	222,836,816	98.44%
Against	3,527,019	1.56%
Abstain	1,876,460	

# Agenda item 9.A – Voting item

## Authority to issue shares, to grant rights to subscribe for shares and to limit or exclude pre-emptive rights

**9.A Proposal to designate the Executive Board as the competent body to resolve on the issuance of ordinary shares and to resolve on the granting of rights to subscribe for ordinary shares**

- For a term of 18 months
- Maximum of 10% of the issued share capital of NN Group as at 31 May 2018
- Plus a further 10% of the issued share capital of NN Group as at 31 May 2018 in case of a merger or acquisition or to safeguard or conserve the capital position of NN Group

# Agenda item 9.A - Voting result

	Number	%
In favour	202,257,629	88.62%
Against	25,980,429	11.38%
Abstain	2,237	

# Agenda item 9.B – Voting item

## Authority to issue shares, to grant rights to subscribe for shares and to limit or exclude pre-emptive rights

**9.B Proposal to designate the Executive Board as the competent body to resolve to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares**

- For a term of 18 months

# Agenda item 9.B - Voting result

	Number	%
In favour	190,329,090	83.39%
Against	37,908,968	16.61%
Abstain	2,237	

# Agenda item 10 – Voting item

## Proposal to authorise the Executive Board to acquire ordinary shares in NN Group's share capital

- For a term of 18 months
- Shareholding shall not exceed 10% of the issued share capital on 31 May 2018
- As required by law, the authorisation includes price setting limits

# Agenda item 10 - Voting result

	Number	%
In favour	225,188,457	98.69%
Against	2,990,007	1.31%
Abstain	61,831	

# Agenda item 11 – Voting item

## Proposal to reduce the issued share capital by cancellation of ordinary shares held by NN Group

The Executive Board proposes, which proposal is approved by the Supervisory Board, to reduce the issued share capital of NN Group by cancellation of ordinary shares held by NN Group in its own share capital up to a maximum of 20% of the issued share capital of NN Group as at 31 May 2018.

- The number of ordinary shares to be cancelled under this resolution shall be determined by the Executive Board, up to a maximum of 20% of the issued share capital of NN Group as at 31 May 2018
- The cancellation may be executed in one or more tranches

# Agenda item 11 - Voting result

	Number	%
In favour	228,044,614	99.92%
Against	192,920	0.08%
Abstain	2,761	

# Agenda item 12

Any other business and closing



**NN**