Minutes of the annual general meeting of NN Group N.V.

2 June 2016

as reflected in a notarial deed executed by Mr Dirk-Jan Jeroen Smit, notary in Amsterdam, the Netherlands, on 6 December 2016

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1. Opening

Mr Holsboer, chair of the Supervisory Board of the company will act as chair of the meeting.

The chair opens the meeting and welcomes the attendees to the Annual General Meeting of shareholders of NN Group.

The chair confirms that the quorum is duly constituted for valid resolutions to be passed. He announces that the issued share capital of the company at the registration date consists of three hundred and thirty-three million five hundred and fifty-two thousand eight hundred and seventy-two (333,552,872) ordinary shares, of which eight million five hundred and fifty-seven thousand three hundred and five (8,557,305) ordinary shares are held by the company itself, such that no votes might be exercised on those shares, and that three hundred and twenty-four million nine hundred and ninety-five thousand five hundred and sixty-seven (324,995,567) votes might therefore be cast.

The chair introduces the members of the Executive Board and Management Board of the company, being Mr Friese, Chief Executive Officer, Mr Rueda, Chief Financial Officer, Ms Van Vredenburch, Mr Beckers, Mr Caldwell, Mr Knibbe and Mr Spencer. In addition to the chair, the following members of the Supervisory Board are present: Ms Vletter-van Dort, Mr Harryvan, Mr Jenkins, Ms Van Rooij and Mr Hauser. Mr Schoen is recovering from a hernia and is therefore regrettably unable to be present. Ms Stuijt, Head of Legal and Compliance, is also present.

The chair subsequently gives a general explanation of the agenda and the course of business at the meeting.

2. 2015 Annual Report

The chair addresses the annual report for the financial year 2015 and gives the floor to Mr Friese to elucidate on the annual report.

Mr Friese begins with a brief discussion on the historical ties between NN Group and the city of The Hague, where its head office has been located for a year now, reminding those in attendance of the fact that, on 14 April 2016, ING sold its remaining stake in NN Group.

Mr Friese then examines 2015 in review, a year in which NN Group grew into a well-established, independent firm and reported good progress in terms of the financial targets announced at the company's IPO. Based on this solid foundation, it is time to look further ahead. NN Group needs to remain flexible with regards to dynamic financial markets, macro-economic developments, new technologies and changing customer behaviour, in order to be able to respond to these developments. This was why 'accelerating change' is a main theme in the annual report. NN Group seeks to renew itself, to respond to opportunities afforded by changing markets and to be an organisation that matters in the lives of its stakeholders – customers, employees, shareholders, business partners and, of course, society at large.

Last year, NN Group won the FD Henri Sijthoff prize for its annual report, yet there is also room for improvement. NN Group considers it important to provide an integrated overview of the company's results. Already in its first annual report, on 2014, a combined approach was chosen in order to bring the financial report and the sustainability report more closely in line with each other. The report is further integrated this year, so as to better reflect the wishes of all stakeholders and be further in line with the laws of the Netherlands, IFRS and Global Reporting Initiatives guidelines (GRI).

A more substantive review of 2015 follows: with over 11,500 employees in over 18 countries, NN Group offers insurance, asset management and/or banking products to around 15 million customers. At the end of 2015, the Group's market capitalisation was nearly EUR 11 billion, the dividend for the full year of 2015 was EUR 1.51 per ordinary share, shareholders' equity stood at EUR 20.5 billion, performances are in line with the targets announced at the company's IPO and cost savings of EUR 200 million are realised in the Netherlands one year ahead of schedule.

This is about more than just financial results, as NN Group aims to create value not only for the present period, but also towards the future for all stakeholders, such as our customers, employees, shareholders, business partners and society at large. Corporate responsibility is an integral part of company management. With this in mind, social and environmental factors are integrated into areas such as the Group's insurance and investment processes, its employee policies and purchasing activities. The annual report covers the responsibility for strategy, the targets set and the results attained.

Mr Friese explains a number of non-financial results:

(i) Net Promoter Score – a method of measuring customer satisfaction – for NN Group's pension and life insurance activities in Europe improved by six points

(ii) Assets invested in the 'sustainable' category rose 11.3% to EUR 4.5 billion

(iii) Employee satisfaction rose to an unprecedented level, which was important for customer service, as satisfied and enthusiastic employees provide better service

(iv) In addition NN Group's contribution to society came in the form of an increased number of hours performing voluntary work as well as donations given to good causes

Mr Friese briefly elucidates on two such initiatives. One of the things NN Investment Partners was working on, was to continue to increase sustainable investment assets under management and to further expand the range of sustainable products on offer, which led to the launch of the NN Euro Green Bond Fund at the start of this year.

In addition to specific products of this nature, NN Group is a company that matters in the lives of people due to its knowledge and commitment, which is why the Group-wide programme called 'Future Matters' was started. A good example of an initiative in the Netherlands is 'De Week van het Geld' ('Money Week') in which NN employees took part by giving 180 guest lectures on risk and insurance at primary schools across the Netherlands. NN Group remains committed to improving its non-financial performances in the future.

Mr Friese then pauses over a key milestone: in 2015 the brand names of ING's international business units were changed to NN, Nationale-Nederlanden or NN Investment Partners, in a very large operation involving over 500 colleagues. It was also an operation that centred around NN's stated values: we care, we are clear, we commit. In order to further increase brand awareness, NN Group engages in sponsorship activities. Examples in the area of culture include collaborations with the Mauritshuis and Gemeentemuseum in The Hague, and the Kunsthal Museum and Fotomuseum in Rotterdam. In the area of sports, the chosen discipline is running, a sport popular in all of NN's markets, and one that contributes to the welfare of all generations. In 2015, NN Group sponsored running events in nine countries, including the Rotterdam Marathon, the City-Pier-City in The Hague, the Naha Marathon in Japan and the Alexander the Great Marathon in Greece. These sponsorship activities will be further expanded in 2016.

Mr Friese goes on to explain the Group's strategy. In a nutshell, NN Group exists to help people secure their financial futures, which it does by offering them an outstanding customer experience based on four pillars. First, transparent products and services, so we can offer customers what they need at the various stages of their lives. Second, multi-access distribution. Third, effective operations that really do make it possible for us to provide customers with services in an efficient way. The fourth pillar is to maintain a strong balance sheet, so our customers' money is in safe hands.

Within this strategy there are also several focal points, such as saving and investing for retirement. NN Group encourages innovation and aims to increase its capacity for decisive action.

The various business units obtain good results with all these pillars.

As Mr Friese has stated earlier, macro-economic trends, economies and communities are changing. Several of these trends are discussed in the annual report, including an ageing population, low interest rates, new technologies and the changing needs of customers. These latter two trends in particular call for innovation in the sector in which NN Group operates.

In order to continue to help people secure their financial futures, now and in the future, NN Group will need to adapt to these trends and react quickly in order to increase its resilience and exploit new opportunities in the marketplace. This was why it invests in innovation. Technology is making the sector ripe for a major transition. NN Group is ready for this transition. Last year a Chief Innovation Officer was appointed. NN encourages a different mindset and entrepreneurship within the company and seeks to enter into partnerships with new and young companies. In addition, NN is launching innovative products, such as the pay-how-you-drive initiatives under the names 'Fairzekering', 'RijWijzer' and 'VOOROP', where customers who drive safely receive discounts on their premiums.

To conclude, Mr Friese cites Sparklab, NN's own start-up as a breeding ground for new ideas. NN Group continues to push ahead with development activities of this nature, which are not limited to the Netherlands. The pace of innovation is accelerating in many countries where NN Group operates. 'Accelerating change' is the motto, after all.

NN aims to be a company that matters to all stakeholders. In order to do so, the Group plays different roles: as an insurer, an asset manager, an investor, a listed company, an employer and as a corporate citizen.

The report covers these roles in our value creation model. By means of a slide, Mr Friese elucidates on the sources NN Group uses to create value for all of its stakeholders. In the process, NN Group strives to improve the financial well-being of its customers, to maintain a solid balance sheet, to employ staff capable of assuming responsibility and to make a positive contribution to society at large.

A financial overview follows.

The operating result for ongoing business for 2015 was EUR 1.4 billion - a 32% increase compared with 2014. That figure did not include the results of the closed block in Japan.

The operating result includes EUR 221 million in private equity dividends, EUR 75 million in cost savings and a EUR 52 million positive one-off item in the technical margin. Furthermore, that figure comprises higher income from Insurance Europe and Japan Life in addition to lower funding costs. Asset Management generated lower income, however, while claims increased in Non-life.

Net income rose significantly compared with 2014 to just under EUR 1.6 billion. The significant difference between 2015 and the prior year is to a large extent explained by a special item in 2014, namely the EUR 541 million charge incurred on account of the removal of ING's Netherlands pension fund from the balance sheet. Special items in 2015 are, for example, the costs of rebranding along with a EUR 13 million cost item in connection with the reorganisational efforts in the Netherlands in the final quarter.

NN Group was able to meet its financial targets in 2015. One target is to raise the operating result for ongoing business by 5% to 7% per annum over the next few years. The EUR 1.4 billion booked in 2015 represent a 32% increase over the previous year and is partly impacted by several positive one-off items. As previously stated, these growth targets are to be understood as the averages over several years. Another target is to raise the net operating return on equity for ongoing business over the coming years. The aforementioned return for 2015 was 10.8%, thus beating the 8.6% booked in 2014.

At the Capital Markets Day held in November 2015, NN Group gave analysts and institutional investors an update on its strategic and financial developments and announced a new cost target. The cost reduction target set at the time of the IPO has been met one year ahead of schedule. The new cost target aims to lower the administrative costs in the Netherlands to EUR 700 million by the end of 2018. By the final quarter of 2015, EUR 15 million of these savings had been realised.

It is expected the free cash flow available to shareholders would, in due course, be roughly in line with the net operating result for ongoing business. In 2015, free cash flow to the holding company came to just under EUR 1.4 billion, a figure that includes the EUR 1.5 billion in total dividends paid out to the holding company by the business units. The net operating result in 2015 came to just under EUR 1.2 billion. As this relates to an over-time target, both the operating result and the dividend that the business units pay the holding company could be subjected to volatility.

Mr Friese concludes by addressing the Group's capital position. which has been, and remains, strong. The Solvency II ratio stood at 239% on 31 December 2015, after deducting the proposed final dividend for 2015 that will be discussed here today. The balance sheet of NN Group is robust and NN Group is well capitalised. which all stakeholders will find reassuring. Furthermore, this financial strength gives NN Group the leeway to focus fully on improving the profitability of its operations.

An important milestone in 2015 is the approval of NN Group's internal model for Solvency II by the Dutch regulator, De Nederlandsche Bank (the Dutch Central Bank).

At the time of the company's IPO in 2014, the guidance provided was that, in due course, the free cash flow available to shareholders would be roughly in line with the net operating result for ongoing business. The guidance remains unchanged under Solvency II, as has also been confirmed at the Capital Markets Day in November 2015.

Mr Friese explains with the aid of a slide showing different sources of future remittances from the operating units to the holding company. Three different sources are discernible. The operating results of the business units lead to the generation of own funds. In addition, capital requirements will decrease in due course on account of the expiry of the closed portfolios in both the Netherlands and Japan. On the other hand, the capital requirements will again rise slightly thanks to new businesses in the growth segments Insurance Europe and Japan Life, among other factors. The extent to which this occurs will depend on the growth that NN Group is able to generate. Lastly, there is the surplus capital in certain units that would also be released. In short, there are various sources of free cash flow for shareholders, which consists in particular of the expected generation of own funds, the run-off of certain portfolios and the gradual release of surplus capital. This places NN Group in a position to offer shareholders attractive dividends.

The dividend policy aims, in part, at paying out regular dividends in keeping with NN Group's operating results in the medium to long term. The goal is to make a distribution of 40% to 50% of the net operating result for ongoing business. Surplus capital will additionally be distributed to shareholders, unless that capital could be invested so as to create value for shareholders. Several factors are considered in the case of each dividend proposed.

The most important of these, however, is to carefully weigh the strategic possibilities on the one hand, against the current and expected capital and liquidity positions on the other. It is and will remain essential to continue to be a well-capitalised company with a prudent financial policy.

The proposed final dividend for 2015 is EUR 1.05 per ordinary share. With the addition of the interim dividend of EUR 0.46 per ordinary share, the total dividend will come to EUR 1.51 per ordinary share, and the dividend pay-out ratio will thus be around 41% of NN Group's net operating result ongoing business for 2015.

Ever since its IPO, NN Group has always made it clear that it sought to live up to its equity story, with a focus on creating value for shareholders. The Group's first priority is to further raise income and generate capital. That capital will then subsequently be distributed to shareholders, unless it can be placed in investments that create value for shareholders. Since the IPO in July of 2014, a total of EUR 1.4 billion had been distributed to shareholders. The latter figure included the proposed final dividend for 2015 to be discussed today. It also includes NN's participation in ING's divestiture of shares in January of this year, when NN bought back EUR 250 million of its own shares.

In the final quarter in particular, NN Group shares performed well in 2015, with prices rising by around 30%. The total shareholder return in 2015 was 36%. The return in the period since the IPO in July 2014 had amounted to 69%.

The first quarter results are then discussed.

The operating result for the first quarter of 2016 is EUR 305 million, which is roughly the same figure reported for the first quarter of 2015. Performances in the individual reporting segments vary. Netherlands Life, for example, saw strong investment results, while NN Bank's results also continued to improve. Netherlands Non-life (the Dutch P&C insurer), Insurance Europe and Asset Management, on the other hand, saw lower results than in the same period in the previous year. Great efforts towards raising efficiency were being made by all concerned within NN Group. As a result, the Group's administrative costs in the Netherlands have been brought down further.

The capital position remains strong, despite a volatile market environment in the first few months of the year. NN Group's Solvency II ratio stands at 241% and free cash flow to the holding company came to EUR 403 million.

As discussed earlier, on 14 April 2016, ING sold its remaining stake in NN Group. This transaction is a milestone because it means NN Group has completed the move to full independence. NN Group furthermore announced last week that the Group intended to use up to EUR 500 million to buy back its own stock over the next 12 months.

The current market environment presents opportunities for NN Group. There are growth opportunities in savings and asset management, for instance in the area of retirement planning. The fact of the matter was that people have a fundamental need to protect themselves financially against uncertainties and adversities. The combination of insurance and asset management enables NN to differentiate itself from the rest of the market.

To NN Group, innovation is more than merely a question of digitisation; satisfied customers, interactions that keep up with customer needs, and efficiency are what really matter. More specifically, our new products, distribution and efficient processes, all in response to the current and future needs of our customers, are what really matter. In the Netherlands, NN Group promotes the use of digital technologies in order to be able to approach customers on a personal level and offer them relevant products and services. Where our international insurance operations are concerned, we also focus on improving customers' experience and on profitable growth. NN Group is applying more digital technology in the area of distribution so we can raise our quality of service and productivity to even higher levels.

We are also looking for new partners within the bancassurance channels in our international business. In the international insurance units, product development will be particularly geared towards protection and long-term savings. A challenging market environment gives rise to a sharper strategic focus in the areas of products, market segments and account management at NN Investment Partners, the asset manager within the Group. In addition, efforts are under way towards optimising processes and the organisational restructuring of NN Investment Partners. NN Group will of course be measuring and reporting on progress, whether it be financial, operational or non-financial.

Mr Friese concludes by underscoring NN Group's solid position in the international world of insurance and asset management, with its strong balance sheet, strong brand, broad-based and multi-faceted distribution network and customer-oriented corporate culture. The 2015 results are good, but NN Group is ready for the next step. The changing environment is one of the most important reasons for the Group's continued focus on innovation. NN Group needs to be flexible and act decisively. In short, 'accelerating change'.

NN Group is resolute about continuing its trajectory as an independent company, an organisation that really matters to stakeholders: customers, employees, shareholders, business partners and society at large.

The chair thanks Mr Friese for his presentation and give the shareholders in attendance an opportunity to ask questions.

Mr Stevense (SRB, Stichting Rechtsbescherming Beleggers [Foundation for the Legal Protection of Investors]) asks in which areas NN Group can still generate operating profits, given the challenging market environment. Income from premiums is lower in 2015 than in 2014; the operating result for 2015 is similar to the figure for 2014; only net income is somewhat higher, thanks to the EUR 110 million dividend distribution. Mr Stevense is concerned about the Group's plan to buy back EUR 500 million of its own shares, to some extent in light of the increasingly tougher requirements of the supervisory authority, asking whether that sum cannot be returned to shareholders in a more tax-friendly way in the form of a special dividend?

Another point of concern is the unit-linked product case known as the 'woekerpolisaffaire'. NN Group has decided to appeal against the ruling of the Klachteninstituut Financiële Dienstverlening (KiFiD – Netherlands Financial Services Complaints Tribunal). The proceedings can drag on for several more years. Does NN Group feel that it has recorded sufficient provisions?

The AFM is looking into financial after-sales support in the case of unit-linked policies, whether mortgage-related or otherwise. In the eyes of AFM, has NN Group sufficiently attended to this matter?

Mr Stevense also wants to know more about IT innovation at NN, such as the steps being taken in the areas of big data and capital-light products.

Lastly, Mr Stevense wonders whether NN Group will raise objections to the reduction of deductible interest prior to 18 July.

To begin with, Mr Friese explains that the operating result for 2015 increased by 32% compared to 2014. In the first quarter of 2016, to which Mr Stevense refers, the operating result has indeed remained stable with respect to the same reporting period in 2015. The main reason that the increase reported by NN Group in the previous year has failed to continue into the first quarter of the current year has to do with the volatility of the markets in that quarter, with some news and volatility coming from Asia in particular. The good news is that NN Group has been able to hold operating profit steady and that the capital position remains solid.

Looking forward, NN Group is targeting an average growth in the operating result before tax for the ongoing business between 5% and 7% per annum. as measured over several years; from one year to the next this performance may be volatile. This growth needs to come from all business units, albeit in different ways and accentuated differently. In the Netherlands, where the balance sheet is large, it is important for us to generate robust investment income. Secondly, our costs in the Netherlands needs to be lowered further. And thirdly, NN Group also intends to move increasingly into capital-light products – i.e. products with lower guarantees.

Outside the Netherlands, we are focused on generating profitable growth, while keeping costs under control. Our international insurance and asset management operations are currently growing profitably.

Next, Mr Friese discusses the new framework of capital adequacy rules known as Solvency II, for which the industry and supervisory authorities in Europe have had 13 years to prepare. NN Group is in a good position in this regard. The Solvency II ratio stood at 241% at the close of the first quarter of 2016 (and 239% in the previous year). In addition, NN Group has geared its processes and internal organisation towards being able to work and report under these new capitalisation regulations with which the entire industry must comply. This is good news for our shareholders and for our customers, who can see that their interests are vested in a strong, solid company that closely adheres to a prudent financial policy.

The question about the EUR 500 million in buy-backs is addressed by the CFO of NN Group, Mr Rueda.

Mr Rueda explains that, in line with our dividend policy, surplus capital is paid out to shareholders as efficiently as possible, provided it is not deployed elsewhere. Every time we pay out a dividend, 15% of it is owed by way of the dividend tax in the Netherlands. Share buy-backs are a tax-friendly way to return that value to our shareholders, since they avoid the dividend tax. Should a better option present itself at some point, it will be duly considered.

Mr Friese proceeds to answer the questions. Unit-linked policies in the Netherlands have long been a topic of debate across the entire industry and are expected to remain so. Firstly, NN Group greatly regrets that it still has customers who are not satisfied with the product they have purchased from NN at the time. NN Group is doing everything it can to ensure that NN can speak with customers in order to find out whether they are still satisfied with the product, and, if not, how the company may help them replace the product or to find another solution suited to their specific circumstances. NN Group is doing a great deal in this regard, also in connection with the AFM after-sales support, to which Mr Stevense refers. An extensive after-sales support programme has been coordinated between the AFM and the sector, on which the AFM also regularly publishes reports. According to the latest such publication, NN Group consistently scored highly in terms of face-to-face meetings with people, including people with mortgage-linked policies. In this way, NN Group ensures it looked for solutions for each of its customer Groups, which is ultimately what matters.

The KiFiD case to which Mr Stevense refers concerned an individual case. NN Group does not agree with the decision of the arbitration board and has therefore filed for an appeal. The outcome of the proceedings remains to be seen. In addition, there are also other cases before the courts, against both NN and other insurers in the Netherlands. Whether these will entail financial consequences, and, if so, to what extent, is not clear. NN Group is unable to reliably estimate these at the present time and therefore no provisions can be put aside for this contingency, and nor have they been. Mr Friese adds that the solution to this problem does not lie in courtrooms, but rather in the dialogue that take place between NN and individual customers in order to ensure that solutions are found that are truly suitable for the customers and their personal circumstances.

Technology is highly important for NN Group as a company. Mr Knibbe, who supervises operations in the Netherlands and has a technology portfolio, is fully engaged with his team in this area. In our Dutch pension business, for instance, new technology platforms are being built that are faster and nimbler, and that can also be linked to portals, making it easy to cooperate with employers in the event of changes, for example to the number of participants, and that also make it easier to communicate with participants in pension schemes. NN Group is investing heavily in this regard, and all pension contracts are being re-examined contract-by-contract.

There are also examples in the area of cloud computing, where NN Group has embarked on several initiatives. It is not merely a question of becoming more efficient, but above all being able to respond to changes in the market much more quickly. Spain, where customer advising processes are fully digitalised, is cited as a final example.

There are many more examples showing that NN Group is busy using technology to improve its customer processes.

Mr Friese continues by discussing big data. New technology help NN Group to understand and sort data in such a way that it can continuously improve the advice it gives its customer in relation to their personal circumstances. It is moreover becoming increasingly easy to create products and services tailored to specific customer needs. It goes without saying that good, clear agreements need to be reached with customers on the use of big data, while at the same time careful consideration need to be given to aspects of IT security. Mr Friese stresses that NN Group has always ensured that its customer data are secure, and that the Group uses the data to the benefit of its customers.

Mr Friese addresses the questions on low interest rates and capital-light products together. No one in the sector enjoys having to function in a low interest rate environment. Low interest rates impact on a number of aspects of the company, the balance sheet being an example. NN Group endeavours to handle these matters as best it can through investments that need to be carefully attuned to its obligations to policy holders. For instance, the Group ensures that its balance sheet and solvency are strong and solid, and that can also be seen in NN Group's reported ratios and figures. At the same time NN ensures its products are adapted to the low interest rate environment. This means that NN Group is leaning more towards protection products, i.e. products to protect assets and personal possessions. NN Group also offers savings and investment products, but the guarantees are relatively limited, since if guarantees are priced according to today's interest rates, the products would become practically unaffordable for customers. NN Group is therefore successfully adapting its product packages to include more capital-light products.

Mr Keyner of the Vereniging van Effectenbezitters (Dutch association of security holders) begins by complimenting the company on its outstanding results for 2015. However, according to Mr Keyner, this does not mean that the Group's prospect over the next five or ten years are entirely positive, as he considers all the major insurers, particularly those in the Netherlands, are pursuing strategies aimed at lowering costs, ICT and capital efficiency. Insurers are now trying to avoid risks as much as possible.

As a result, the companies that have developed this strategy are turning to customer products that require little capital. This means they are all turning to things like defined contribution pension schemes and asset management, where fees are earned and there is less speculation on how interest rates might perform. If everyone ends up in the same corner, by definition the downward pressure on margins will increase considerably, which means there will be less money to be made.

How does NN intend to differentiate itself from the competition, who at the present time are trying to accomplish more or less the same thing on a market that is not growing particularly rapidly, and where customers were still quite sceptical about insurers having their best interests at heart?

Assuming that the strategy arrives at is the right one and continues to deliver good results, to what extent is NN in a position to push through with this strategy with sufficient vigour? In other words, to what extent does NN's current organisation, present-day structure, people, systems, policies, and by extension its legacy and history, represent obstacles to accomplishing the Group's ambitions? And in what ways is NN differentiating itself from competitors who have drawn the same conclusions?

It is good that the Solvency II ratio is so high, but having that much leeway might perhaps also diminish the sense of urgency. Perhaps it will help if NN's ratio were not 241%, but instead, something like 180% or 170%, so that the company can undertake even faster, even greater, even more radical actions than it has so far.

Mr Keyner then states that he has read in the 2015 annual report that the operational result for Asset Management has failed to meet expectations by a significant margin. Even after factoring out the non-recurring items, it is apparent that things are not really going that well. Should investors be concerned or are there other reasons that are perhaps not properly explained in the annual report?

To conclude, he states for the record that investors in NN are not able to estimate value. The firm's equity is twice as high as its market capitalisation, and this surely must create a certain degree of mistrust towards the company. Investors possibly do not believe that NN Group is achieving sufficient ROE, given the capital at its disposal.

Mr Friese thanks Mr Keyner for his compliments at the start of his arguments and discusses the remarks on the company's ability to differentiate itself, the strategies that are all somewhat similar, and the narrowing margins. In arriving at a strategy, it is important to be realistic and to accept oneself as one is. NN Group is mainly a life insurance company – in the Netherlands also a non-life insurer – and a pension insurer and asset management firm, predominantly in Europe and Japan. These countries and markets possess certain characteristics, within which it is necessary to develop activities that have a determined position in these markets. In the Netherlands, NN Group is facing a market that is not growing, that has matured. The ways in which value is created are different there than in markets with room for growth. Outside the Netherlands, NN does actually see room for growth of this nature. If we look at the extent to which people are insured per capita, the extent to which the markets are saturated, but also at the pace at which GDPs are moving, then there are possibilities. Poland, for example, is showing a very different GDP and growth momentum than a number of other countries. NN Group is a major player in Poland, which is a very large market with growth potential. In the Netherlands, NN is a large company in a market with entirely different dynamics than, say, the markets in the surrounding countries.

In addition, there is the asset manager that operates on a global scale. NN's asset management firm is scalable and can grow in any number of countries (e.g. in Asia), and that was precisely what NN Investment Partners is doing – not at the desired levels, but that is what is under scrutiny. If it is a matter of expectations going forward and the strategy the Group defined in order for its companies to be successful in the markets in which they operated – and within the context of those markets – one simply needs to think about how to create value, value for customers and also value for shareholders. In actual fact, in the Netherlands this is achieved to a large extent by managing the investment portfolio, by ensuring that the stock of individual life insurance policies turns over at a slow pace, that capital is released as a result – and additionally by cutting costs in order to operate more efficiently. That is the best way to create value. It may well be the case that others were doing the same thing, but NN prefers to act on the basis of its own strengths, because it knows its own companies best and knows how to make money with them. Outside the Netherlands, value is created through growth.

How can NN Group do this in a different way than others? There are a number of ways. First and foremost, in the way NN handles its customers, for example with its distribution channels, its brand, its value for the customer, or the intuitive interaction with customers NN seeks through the use of new technologies. Where NN does this differently and better and more consistently than others, that is where the Group will truly differentiate itself. NN Group operates in an industry in which execution is essential, and it is a matter of customers finding out that we consistently do it better than others. This ensures that they recommend others to do business with NN rather than with a competitor. For NN as an insurer, things are very different in this regard than in the case of a company that has to rely on technological breakthroughs, as for example could be seen in the technology sector whenever a new device is brought to market. That is not how it works in the insurance industry, where what matters are corporate culture, processes, values, people, staff training, and the intuitive technology used to be able to communicate with customers as intensively as possible at cost levels that are as effective as possible. If you do this well in countries where there is growth, you succeed. That is NN's ambition, and it was in this regard that we see ourselves as being different from the rest.

On the subject of capital, NN has made its position clear. Being a well-capitalised company with a strong balance sheet and a prudent financial policy is a good position to be in, and it is very important to customers and shareholders to know that NN Group's capital position is strong. NN endeavours to manage its capital position carefully. Shareholders have been told since the IPO that when NN holds surplus capital that cannot be effectively deployed in creating value, that capital will be returned to shareholders. That is what NN has done over the past two years to the tune of around EUR 1.4 billion. At the same time NN seeks to maintain its strong balance sheet and solvency in a highly volatile market environment. That will ensure that we are in a good position to withstand any shocks that may occur. Nor would NN shirk investment where there are possibilities to create value.

Mr Friese then returns to address the suggestion that the company's large capital buffers can make the organisation become idle. There is no idleness in the genes of this organisation. NN has proven as much in the degree to which, for example, it has lowered costs in order to make the company more efficient. NN has been able to realise a nominal 20% reduction in its costs one year ahead of schedule. This means that not only costs have been lowered, but that the company works better from the customers' standpoint and customer satisfaction have increased. In this sense, NN is doing a good job. Its organisation remains ambitious and continues to work extremely hard to ensure that its customer-related propositions and results improve. It is precisely because it has a strong balance sheet that NN is able to do that. It is not necessary to come to the office every morning and examine the state of the balance sheet. What we do concern ourselves with is how we can improve our performance, how we can improve customer satisfaction, and how we can ensure profitable growth in the markets where we can grow? It is possible for us to adopt this focus, because Mr Rueda and Mr Caldwell and all their teams make sure that our balance sheet is prudently and solidly structured. It is therefore not a question of a certain sense of complacency or idleness, but that NN is focussing in particular on improving the return on that capital.

Mr Keyner speaks of drive, speed and pace. NN is a company that has been around since 1845 and this brought with it both advantages and disadvantages. The advantage is that NN was represented in countries with large powerful firms that generate a great deal of free cash flow and that has great brands, good distribution channels and enormous numbers of customers on which to build further. One disadvantage is that certain parts of the organisation are still using somewhat older technologies – which, incidentally, are rapidly being replaced. NN's culture is one that has demonstrated over the past years that its people have collaborated to get the company to stand on its own two feet and they have done so in the most orderly way possible. This shows that the company is resilient, adaptable, and capable of many things. Mr Friese states that he is very optimistic about what NN, with its people and culture, can achieve. The goal is to become even more flexible and able to act even more decisively. By using modern technologies, among other things, the company is currently working very hard on accelerating this process.

Asset Management's operating result is not as strong as NN would have liked, but Mr Beckers and his team are working hard to ensure that this will not be the case in the future. If one looks at all the active asset managers around the world, there are few that have not been affected by the huge volatility on the markets in the past quarter. The slump in oil prices and concerns about global growth have given rise to great volatility and have caused quite a few investors to choose other options like fixed-income products or move into cash and the money markets. This means that there are fewer fees to be earned, and Asset Management, like many other asset managers, are adversely affected by this. The unit's strategy has been redefined and refined to 'simplify, focus, and optimise', with a continued push for greater cost-effectiveness. Choices has been made in specific customer segments, specific boutiques, and investment strategies, in such a way that commercial activities can now be managed in a much more targeted manner. In this way, NN seeks to realise growth in the niches where it does see growth and appetite for its in-house products and services, and thereby further improve the results of its asset managers. To conclude, Mr Friese adds the observation that governments are increasingly withdrawing, and that people have to rely on themselves to an ever greater degree to provide for their retirement and do their own financial planning. This is precisely the kind of world in which a company like NN can function outstandingly, because it can manage risks, insure risks and, with its asset managers, can help people choose among different funds and investment strategies.

Mr Rueda handles the question about equity versus market value. A company can be valued from many different perspectives. The most important driver usually has to do with the expectation that the company can generate profits and can distribute those profits to shareholders. Over the past two years and over the longer term, NN has proven to be a profitable company. Its operating results for both 2015 and 2014 show good growth. Valuations based on comparing market capitalisation to equity represent an unfavourable comparison for insurance companies, due to the sizeable revaluation reserves on their balance sheets. In the case of NN Group, around EUR 8 billion of its EUR 20 billion in equity is made up of revaluation reserves. This is why analysts and investors normally adjust insurers' equity figures, providing a metric more in keeping with expectations.

Mr Vreeken (WeConnectYou) expresses his appreciation of the fact that NN Bank offers the highest interest rate in the Netherlands at 1%. He wishes to see more IT people trained in the Netherlands and wonders what NN's position on this is. Where does NN Group stand in the Dow Jones Sustainability Index? What is NN Group's Net Promoter Score? How has NN Group prepared itself for cybercrime? Regarding sponsorships, Mr Vreeken adds that hockey, football, golf, art fairs (e.g. PAN) and sustainable energy sponsoring (e.g. Formule E) should be considered.

Mr Friese thanks Mr Vreeken for his many suggestions and proceeds to speak about NN Bank. NN Bank is doing well. It is a bank that is growing substantially in the Netherlands. NN Bank is the number five bank in terms of new mortgage loans granted in 2015. On the savings side, NN Bank offers long- and short-term savings products. NN Bank also seeks to be an intuitive bank, with whom it is easy to transact business directly. NN is pleased with the evolution of NN Bank's profitability and with the satisfaction of the bank's customers. NN will certainly continue to expand NN Bank in the Netherlands, which incidentally is one of NN's growth markets.

NN appreciates its employees. Every day, 11,500 people make a difference by helping customers in the countries in which NN operates. Investments are being made in training courses and job offers to ensure that members of staff remains deployable. NN's staffing policy is geared towards offering a trusted workplace, where people like to work. NN measures its employee satisfaction, which last year was higher than ever before. That is a great compliment to our staff, but it also says something about how NN treats its employees.

Sustainability is very important to NN Group. NN aims to make a contribution to a sustainable community in all the countries in which it operates. This is done in various ways. Mr Friese cites a number of examples of sustainability rating scores. Sustainalytics gives NN's sustainability performance a score of 75 out of 100, ranking the Group 13th out of a reference Group of 149 Dutch and international insurers. In the benchmark ranking 'Verantwoord Beleggen'' ('responsible investing') compiled by the Vereniging van Beleggers voor Duurzame Ontwikkeling (Association of Investors for Sustainable Development) NN ranks fifth out of 30 insurers (compared to seventh in the previous year). Furthermore, NN has been noted as the best newcomer in Benelux with a score of 95 out of 100 in the survey conducted by the Carbon Disclosure Project. In the Transparency Benchmark compiled by the Dutch Ministry of Economic Affairs, NN has ranked number 51 out of 246 companies. These examples show that NN Group takes its role in the community seriously. The Group achieves this by anchoring sustainability considerations in its policies and activities. Our investment policy, for example, take environmental, social and governance (ESG) considerations into account, and we endeavour to contribute to the transition to a sustainable economy. Nonetheless, there is room for improvement. NN Group, however, has only been an independent company for two years, and so we are giving ourselves a certain amount of time to take the right steps.

In conclusion, Mr Friese stresses the importance of innovation. Innovation is essential. NN is doing a great deal in this regard. Innovation is not something we regard as being separate from our business. Innovating new products, services and processes, speaking with customers in novel ways, using modern technologies, this is the currency of NN. What is important in this regard is to create an environment, in which people feel encouraged to innovate. It is also important to be constantly thinking and watching what is happening, and that a close eye is being kept on any new developments in this area. Everyone at NN does that. The Chief Innovation Officer does it, but the Executive Board itself also does a great deal in this respect. NN Group understands very well how important these things are and therefore invests in them.

Mr Taverne (VBDO, Dutch Association of Investors for Sustainable Development) is extremely pleased with the fact that NN Group has published an integrated annual report. On page 18 of the report, however, where the company's strategy and priorities are described, the topic of sustainability is barely addressed. If the topic is integrated, then it should not be invisible.

A second compliment concerns the Group's active ownership activities (one of the pillars of the strategy in the area of socially responsible investment) and the way NN reports on them. The quarterly reports are especially good on that point.

A third point is the 11% growth in sustainably invested assets, which now constitutes 2.4% of total assets under management, but he questions when they will reach 10.8% or 50%, or perhaps even more?

An article published in the FD (financial newspaper) titled 'Zonder duurzaam beleggen geen waardevast pensioen' ('No stable pensions without sustainable investment') deals with the position and asks the question of whether sustainable investment is not simply part of our fiduciary responsibility. If that were the case, it would shed a different light on the current figure of 2.4%.

The VBDO welcomes the fact that NN is one of the companies to commit to the goals defined in Paris concerning the issue of climate change. Partly in light of the memorandum recently published by the DNB (Dutch central bank) under the title 'Tijd voor Transitie' ('Time for transition'), can NN indicate the extent of its exposure in terms of carbon-related investments? How may NN report on this in the future? And lastly, is it therefore not time for NN to be clear in this connection on when the Group will start to define exclusions for certain industries that no longer have any future in this regard, and in which a decline in shareholder value is also discernible? Mr Taverne cites the coal mining and brown coal mining industries, which are under considerable pressure, and in which he has heard and seen that NN still has a considerable stake. Does NN have an exclusion policy on that point, as we have seen in the case of other large insurers?

Mr Friese thanks Mr Taverne for his questions and compliments, and stresses the importance of creating a sustainable community and the transition to a low-carbon economy. NN very much wants to make a contribution to these endeavours, but also recognises that they are still in their infancy.

NN is a service provider, and not a company with large factories or production platforms. Strategy and sustainability go hand-in-hand to a large degree, since they are both a question of behaviour. It is a question of how NN develops products, how NN communicates, how NN helps its customers, how NN, in an increasingly digital environment, ensures that as little paper as possible is used. NN therefore can make a contribution and is also very active in doing so. NN has once again been CO_2-neutral this year. Sustainability is anchored in the Group's strategy, in its policy and in different processes. It is not kept out of sight, because NN reports on it. Last year - in its first annual report - NN made a step in that direction by adopting a combined approach in its reporting. NN has taken further steps aimed at more integrated reporting in its second annual report. NN will continue along these lines and endeavours to improve each year in this regard.

Mr Taverne's second point has to do with the framework for socially responsible investment and more specifically, with being an active investment firm. NN is an institutional investor with around EUR 110 billion in assets under management. NN stresses the importance of responsible investment, especially of taking environmental, social and governance (ESG) aspects into account in its investment process and decision-making. NN relies on its own in-house research in this regard, as well as that of independent, external parties. NN opts for active dialogue in this context. Although NN's investment policy does place restrictions on certain investments, the Group chooses to engage with its investee companies. This meant NN actively engages in dialogue with companies in which it invests and that dialogue includes tangible ESG topics such as climate change and the transition to a sustainable economy. NN also reports on these discussions. Over 1,600 discussions have been held in which topics of this nature are on the agenda. This represents the vast majority of the companies in NN's investment portfolio.

With regard to sustainably invested assets, Mr Friese points out that NN is highly dependent on the choices made by its (institutional) customers on behalf of whom it invests. In its commercial activities, NN is increasingly bringing sustainable investment to its customers' attention which has contributed to the rise in sustainably invested assets under management. The Group cannot provide any concrete targets for the coming year, but the course is set for sustainable investment to increase. With regard to identifying the CO_2 emissions of investees, Mr Friese states that this has been done last year for the real estate portfolio. NN intends to expand this practice to include other asset classes in which investments are made, such as corporate bonds. By analysing the footprint of investee companies, NN is able to make a more informed assessment within the portfolio as a whole of the risks and opportunities related to climate change.

Concerning investments in coal, Mr Friese posits that NN's equity, the capital controlled by NN itself, is not invested in thermal coal mines, although, to a very limited extent (less than 1% of equity), NN holds investments in companies in the power utilities sector or power plants, and these investments are partly coal-related. NN's exposure to the sector is therefore highly limited. NN believes in the transition to a low-carbon economy, although at the present time NN Group feels it should primarily use engagement as a means. This is shown by the 1,600 dialogues in which it has engaged with other companies. If ultimately a great deal of resistance is encountered in these dialogues, and if it becomes clear that no (favourable) evolution is taking place, the Group will consider the option of exclusion.

Mr Veen (Rijswijk) compliments the organisation on its performances last year. He asks about the system used to monitor the brand name in different countries, such as Romania. At the first annual meeting, the salaries of 25 traders in Australia had been put forward for approval. What have they contributed? The cost savings programme is greatly ahead of schedule: are the savings not being pushed too hard and by extension being obtained at the expense of, for example, employees or IT?

Mr Veen's final remark concerns the unit-linked ('woekerpolissen') affair, for which no provisions have been put aside. In one of ING's annual meeting reports, the speaker found that they had indeed decided to do so at the time. It was all well and good if NN decides not to do so, but then what has changed, and what happened to the provisions made at the time?

Mr Friese explains that NN Group has switched to a new brand name, 'NN', in all countries in which it operates and where its former name has been 'ING'. The costs of this programme are estimated at EUR 135 million. The lion's share of these have already been incurred, but further investment is pending this year. The rebranding has gone extremely well. NN is ahead of schedule in practically all respects where its brand targets are concerned.

NN is the market leader in Romania, where it runs a profitable company with a good team comprising a high proportion of young people. The Supervisory Board and Executive Board visited the Romanian business unit last year. NN has just launched new products in Romania.

In the past there has been a provision for the unit-linked policies, which was related to the Tegemoet-komingsregeling (compensation arrangement) agreed to in 2008 with certain consumer rights organisations in connection with cost capping for unit-linked policies and an arrangement for extreme cases. The costs associated with the settlements are estimated at EUR 365 million and an adequate provision is recorded for them. This provision only covers the settlements, not any number of other potential risks that cannot reliably be estimated.

The variable remuneration of the overwhelming majority of the employees of NN remains lower than 20% of their fixed salary. At the time all that has been said is that the asset managers were also active in markets like Asia and the United States, where variable remunerations and the percentage of an employee's fixed salary these might constitute, were not subject to any local restrictions. NN very much wants to continue to attract good investment employees, including in Asia and the United States. At the time, it was indeed announced that this concerned about 25 employees, for whom an exemption was being requested. Incidentally this does not mean that the employees' salaries have been raised, but rather that NN is maintaining the structure of the employees' remuneration. Incidentally, the asset management firm has not exercised the option we are granted by the meeting of shareholders in the year under review. The variable remuneration of all employees remains under 100%. NN is not only concerned with cutting costs, but above all with improving the service we provide to customers and to better supporting our processes through the use of new technology since this leaves our customers considerably more satisfied. An additional aspect of employing new technology is that it allows for cost savings, not only in terms of staff, but also for example in the use of office space, lower purchasing costs and a cheaper IT organisation. NN intends to continue along these lines in order to increase customer satisfaction, while at the same time ensuring that NN Group remains competitive. Our cost targets have been met and new targets have been announced, but NN will continue to work on making the company more efficient, even after these cost targets have been met.

Mr Tse (Amsterdam) compliments NN on its CO_2-neutrality and asks about energy and electrical power consumption. While it is true that NN has been consuming less electrical power in the past three years, this is primarily the result of a decline in renewable electricity. Mr Tse wants to see a similar decline in the case of 'ordinary' electricity and asks whether there is an explanation for this? Some 35% of our electricity is now renewable. To what extent is this electricity supplied by local sources?

Is NN still using the services of British actor Ewan McGregor for its rebranding campaign, or has he now been replaced by someone else? On page 69 of the financial report, line two, it says that ING Bank has granted NN Bank a credit facility to draw on up to EUR 63 million in additional Tier 1 capital by 2018. Is this arrangement still in place? A little further down it says NN Group is no longer consolidated in ING Group.

Mr Friese states that CFO Delfin Rueda will answer this financial question. NN has indeed been CO_2-neutral for several years now, but its emissions have increased in the previous year. This is partly due to the fact that in lending proper support to our rebranding operations, more flights have been undertaken than in the previous year. NN is endeavouring to lower its consumption of natural resources and continuously seeks to strike a right balance between travel and the use of modern technologies like video conferencing. The company has also purchased green energy.

Mr Tse is invited to discuss the local generation of green electricity in more detail with a team of specialists after the meeting.

Where rebranding is concerned, Ewan McGregor has been a great help to NN, having recorded commercials in seven different languages, including Hungarian and Greek. These commercials have been a huge hit, including on YouTube. In the meantime, NN has made a lot more commercials, based on the theme of 'You matter': 'If we listen to you carefully and we act upon what matters to you, we become the company that matters to you over time.'

Mr Rueda returns to the question about NN Bank's unconditional right to draw Tier 1 capital from ING Bank, should it need to. The context of this obligation lay in the agreements between ING Group and the European Commission. Most shareholders will remember that financial aid has been provided by the Dutch government, and that this aid came with certain conditions. One thing ING Group had to do was to split up its activities, as result of which NN Group became independent. The European Commission felt it was important that NN's bank should be well functioning. It was therefore agreed with ING Group that this should be ensured, with certain conditions. This is also the reason why NN Bank's capital increased in May of last year. In addition, there has been an option to use this facility to draw additional Tier 1 capital from ING Bank if necessary. So far it has not been necessary to do so and it is expected to remain that way for the foreseeable future.

The second question concerns the fact that there were certain conditions that would no longer be applicable once ING Group became a minority shareholder. This was set forth in the relationship agreement concluded with ING Group prior to the IPO, which for example stipulated that NN could no longer make acquisitions without conditions. By the end of the year, NN no longer had to meet those conditions. As has already been pointed out, we no longer have a shareholder relationship with ING Group, and as a consequence all the conditions in the agreement have lapsed.

Mr Gogolewski (GrassROOTS community Foundation) states that he represents various coalitions aimed at scaling down CO_2 and the coal mines in Poland, and in Europe. In April, 171 countries have signed the Paris Agreement, and Hungary, the United States and China are due to sign it this year. How can NN manage climate risk in its operations? Sustainably invested assets have been reported and NN has posited that its investments for its own account amounted to EUR 110 billion, of which around 1% (EUR 1.1 billion) are in the power generation industry. Can NN report on what sustainable shares and what CO_2-intensive shares NN holds under management? To what extent is NN exposed to climate change? This is naturally important to investors, given that certain industries will have to be dismantled very quickly, which will affect results in the medium term.

In Poland, NN is active in the area of asset management and pensions, and the company is also active as an investor. NN manages the largest open pension fund in Poland. The pension funds have reported on their investments, revealing that EUR 470 million has been invested by this subsidiary of NN in companies that are 70% dependent on the production of coal or coal mines, or else they were purely coal companies or are engaged in planning new coal production capacities. So what actually is the situation with NN's investments? NN says it will withdraw from companies engaged in these areas. The agreement that has been reached in the climate accord is to ensure that the average temperature on earth does not rise by more than 2ºC. Signatory countries are aiming to limit temperature rises to a maximum of 1.5ºC. This means that these countries will have to be CO_2-neutral by 2017, and that therefore no new coal production capacities can be added, particularly not in OECD countries.

When does NN plan to divest its holdings in companies still engaged in coal energy? NN has stated that there are exclusion lists. Can they be published? Some asset managers publish exclusion lists and explain why they do or don't invest in those companies. And by way of a final question, will NN consider withdrawing by the end of this year from all coal companies in OECD countries where 75% of the energy mix is coal-based? This needs to happen very quickly.

Mr Friese explains that the open pension fund to which Mr Gogolewski refers is a separate legal entity subject to Polish laws and regulations. NN is unable to influence the investment decisions of the pension fund managers, as this is forbidden by law. Mr Friese is therefore unable to comment on those decisions. As far as NN's investment decisions are concerned, NN places great importance on issues like climate change and the transition to a low-carbon economy. Less than 1% of the total general account is invested in energy companies and only a proportion of those have ties to the coal industry. Exposure to this sector is therefore highly limited. NN has no investments in thermal coal mining companies.

It was noted earlier that NN's responsible investment policy is sharply focused on active engagement with the investee companies and on supporting the companies that can make the transition to a low-carbon economy. It is with this in mind that NN has conducted 1,645 dialogues last year. That figure represents the majority of the companies in which NN invests. Companies needs capital and investment to make the transition to a low-carbon economy. NN is continuously engaged in dialogue, because this is the best way to bring the transition one step closer. In the event of prolonged resistance and the absence of change, NN will consider excluding the company in question or redeeming its investments.

The framework for responsible investing and related criteria is currently being updated. NN is doing this in collaboration with internal and external experts in order to ensure the process is established on firm foundations. External analysis conducted by Sustainalytics is used for this purpose. In this way, NN is contributing to a more sustainable world.

To conclude, the following answer is given to the question as to whether the exclusion list will be published: to date, NN has not released the list, but this is something that is still under consideration.

Mr Van Riet states that he prefers a super dividend to the purchase of EUR 500 million in stock. If dividend taxes are imposed, he will be able to recover them via income tax. It has recently been reported in the press that pension funds are relocating to Belgium. Did NN also have pension funds that are moving their capital to Belgium? How does NN arrive at the decision to appoint KPMG as its new auditor?

The chair explains that the decision to appoint KPMG has been reached last year, and that matters related to that decision are therefore not on the current agenda.

Mr Friese then states that NN has not yet seen any Dutch pension funds in its customer portfolio migrating to Belgium.

The chair establishes that there are no further questions on this item, closes item 2 on the agenda and moves onto item 3.

3. Implementation of the remuneration policy during the financial year 2015

The chair addresses the implementation of the remuneration policy during the financial year 2015 and refers to the remuneration report included in the Financial Report on pages 29 to 33 and to note 48 to the annual accounts as included in the Financial Report on pages 117 to 119. The chair gives the floor to Ms Van Rooij, chair of the Remuneration Committee.

Ms Van Rooij begins by explaining that NN Group aims at a transparent remuneration policy that applies to all employees. A remuneration policy that places NN Group in a position to attract and retain qualified staff. For this reason, NN Group is delighted that on 8 April of this year an understanding was reached with the trade unions on a new CLA and a new benefit scheme, for which employees with a Netherlands contract are eligible. The most significant agreements reached in this context are that NN Group will invest extra sums in developing employees and that a new benefits scheme in line with the Dutch Work and Safety Act is in the pipeline. All this will take effect in April 2017. Salaries will be raised on an annual basis up to and including the year 2018 and employees will additionally receive lump-sum payments.

The Supervisory Board is well aware that the issue of remuneration is always a sensitive one that receives great attention in public debate. In drawing up and implementing the remuneration policy, the Supervisory Board duly considers the various interests of our stakeholders and weighs them against each other. Our stakeholders are our customers, our employees, our shareholders, and society at large. The Supervisory Board ensures that NN Group's remuneration policy supports the long-term goals of the company, in particular solid business management, controlling risks and putting the customer at the centre of our activities. To achieve these goals, the Group needs to be able to attract and retain qualified staff. NN Group is an international company with high quality standards. NN Group therefore also looks to the international employment markets to attract the right employees.

Following this introduction, the discussion moves onto the implementation of the remuneration policy for the Executive Board in 2015. The remuneration policy for the Executive Board was set down by the General Meeting of 28 May 2015 and has been in effect since 1 January 2015. This remuneration policy provides for a fixed remuneration and, in line with the Dutch Financial Undertakings Remuneration Policy Act (WBFO), a variable remuneration that cannot exceed 20%. Some 80% of the fixed remuneration is paid as a monetary sum, and 20% in NN Group shares. Members of the Executive Board are obliged to hold all shares they receive for at least five years. On a final point, the pension scheme system for members of the Executive Board is the same as that applicable to all other employees in the Netherlands.

The variable remuneration allocated in 2015 was based on the outcome of performance indicators for NN Group and the individual performance indicators for members of the Executive Board. These indicators are partly financial and partly non-financial in nature. Examples of the financial indicators include the underlying earnings after taxes and return on required economic capital; examples of non-financial performance indicators are the customer satisfaction surveys mentioned earlier, Net Promoter Score and employee engagement.

On the basis of these indicators, a variable remuneration of 18% of their salaries has been allocated for Mrs Friese and Mr Rueda. In determining this variable remuneration, the Supervisory Board concludes that both of these gentlemen have done a good job of raising employee engagement and customer satisfaction. They have successfully implemented the strategy for NN Group of creating a solid and sustainable independent company. And lastly, NN Group has presented another very good set of results in 2015, in which the financial targets have been surpassed.

All these factors have played a part in determining the allocation of their variable remuneration. In keeping with the remuneration policy defined for the Executive Board, the Supervisory Board evaluates the size of the Executive Board's remuneration each year in terms of remuneration at peer companies in the financial and non-financial sectors. The Supervisory Board also seeks the advice of external experts in this area, so as to ensure that a sound benchmark is being applied.

The shareholder meeting of 28 May last year determined that the remuneration of the Executive Board should be at a level just slightly shy of the median for the peer group. In doing so, NN Group is acting in conformity with the Dutch Insurers Code.

A comparative survey of remuneration within the peer group shows that Mr Friese's remuneration was considerably below the median for this Group and the Supervisory Board has therefore resolved to raise Mr Friese's base salary by 10%, with effect from 1 January of the present year. Even after this rise, Mr Friese's salary remains under the median. Mr Rueda is to be paid the same salary as in 2015. Both the policy and the amount of compensation for the Supervisory Board - a different remuneration - are to be left unchanged.

By way of summary, Ms Van Rooij concludes that the remuneration policy determines in the previous year at the General Meeting remains transparent and appropriate in the present period. It is a policy that takes the various stakeholders into account and one geared towards the company's long-term goals.

The chair thanks Ms Van Rooij for her presentation and gives the shareholders in attendance an opportunity to ask questions.

Mr Veen from Rijswijk asks whether she thinks it right that Mr Friese and Mr Rueda have not received variable remuneration and the fact that only Mr Friese was to receive a 10% salary rise.

Ms Van Rooij explains that both these gentlemen had received variable remuneration amounting to 18% in 2016.

Mr Veen wonders whether, given the good results, the Supervisory Board has not been excessively severe towards Mr Rueda.

Ms Van Rooij explains that the Supervisory Board reviews the levels of the variable remuneration on an annual basis, based on performance indicators both for the Group and on an individual level. In view of the extremely good results for the past year, it has therefore been decided that the aforementioned remunerations would be above target. On-target would have been 16%, and both Mr Rueda and Mr Friese have received variable remuneration amounting to 18%, which is an expression of the Supervisory Board's appreciation of the way these gentlemen have run the company. In addition, the Supervisory Board reviewed how the total remuneration determined compares to the benchmarks each year, which have revealed a discrepancy between the compensations of the CFO and the CEO. The CFO's salary was in line with the international benchmark, while the CEO's salary was well below the benchmark. The latter salary was therefore not in keeping with the policy defined a year ago by the General Meeting of Shareholders of NN Group, namely that the CEO's salary should be only slightly below the median. It was therefore appropriate and has been decided that the salary of Mr Friese, the CEO, should be raised by 10% with effect from 1 January of this year.

Mr Veen states that he concedes Mr Friese the rise and compliment Ms Van Rooij on her remuneration policy adding, however, that it should be possible to improve the legibility of the policy in the annual report.

Ms Van Rooij responds by saying that she will look into whether the policy can perhaps be presented more clearly in the following year. It is, however, a complicated matter, partly on account of the legislation with which NN Group has to comply and codes to which it is obliged to adhere. For example, these rules set various targets for the remuneration policy that the Group is obliged to fulfil. The Supervisory Board's efforts are aimed at simplifying matters to the extent that it is possible to do so.

The chair establishes that there are no further questions on this item, closes item 3 on the agenda and moves onto item 4A.

4A. Proposal to adopt the annual accounts for the financial year 2015

The chair addresses the adoption of the annual accounts for the financial of year 2015 and refers to the 2015 financial statements included in the Financial Report on pages 37 to 158 and to the presentation given by Mr Friese under item 2 on the agenda.

The chair continues by remarking that annual accounts have been drawn up on 22 March 2016 by the Executive Board in English and have been available on the NN Group website since 24 March 2016. The annual accounts have been made available for examination at the head office of NN Group, where shareholders could receive a copy free of charge. The annual accounts were audited by the company's auditor, EY, who have issued an unqualified opinion. The Supervisory Board advises the General Meeting to adopt the annual accounts.

The chair gives the floor to Mr Kolsters, the EY partner responsible for the company, stating that the company has released EY from its confidentiality obligation for the purposes of this meeting. The chair also indicates that the auditor is under an obligation to rectify any inaccuracies. This means that if announcements are made that might give a materially inaccurate view of items in relation to the annual accounts or the auditor's report, EY will request that corrections be made, either during this meeting, or prior to the final adoption of the minutes to this meeting.

The auditor will elucidate on the audit of the annual accounts.

Mr Kolsters explains that he is affiliated with EY, formerly Ernst & Young, as a partner. EY was engaged as NN Group's legal auditor in 2015. Mr Kolsters has taken over the role of his colleague, Mr Van Overmeire, who is also present. Mr Kolsters states that he has signed the auditor's report attached to the annual accounts.

EY has audited the individual and the consolidated annual accounts of NN Group. EY has examined whether the annual report meets the requirements placed upon it and whether the report is reconcilable with the annual accounts. In addition, assurance is provided for the Sustainability Supplement and for the sustainability information contained in other parts of the annual accounts. In its auditor's report, EY has issued an unqualified opinion on both the individual and the consolidated annual accounts, and the consolidated annual accounts meet the requirements placed upon them according to IFRS as accepted in the European Union, and the requirements set forth under Section IX of the Second Book of the Dutch Civil Code. In the case of the individual annual accounts, EY has determined that they meet the requirements of the aforementioned Section IX and thereby give a true and fair view. EY has examined whether the annual report meets the applicable requirements and has determined this to be the case. The annual accounts have been prepared under the going-concern principle. Based on liquidity forecasts and the Group's solvency position, EY believes this to be a justified premise.

Regarding the approach taken, the audit, and the primary responsibilities of the external accountant, Mr Kolsters stresses the importance of establishing a team. NN Group is a large organisation and consequently EY has had to work in several countries. Specialists have been engaged on a number of technical subjects, the area of technical provisions being an example, but also in areas such as taxes and IT. EY has dedicated around 58,000 man-hours to the audit of the consolidated annual accounts. That figure does not yet include the man-hours dedicated to individual annual accounts, or to the various reports to supervisory authorities.

In its audit of the company for the consolidated annual accounts, EY had set materiality - the basis for determining whether a true and fair view is given - at one hundred and twenty million euros (EUR 120,000,000). That figure has been determined based on equity excluding revaluation reserves.

It has been agreed with the Audit Committee and the Supervisory Board that items involving smaller amounts would also be reported, with the minimum set at EUR 6 million. Mr Kolsters announces that, based on the overview of EY, there are no uncorrected misstatements at the end of the reporting period.

EY examined which entities are included in the Group structure and fall within the scope of the audit, which also include activities in foreign countries. EY has sent instructions to its foreign teams listing the key areas the teams needed to include in their audits and the materiality limits to be set for each.

In addition to sending out instructions, the activities of the Group team have also included evaluating the auditing work that was carried out. The findings reported by the various teams also needed to be evaluated. As Group auditor, Mr Kolsters has paid a visit to the team in Japan in order to establish that their work there meet the requirements. In addition, Mr Kolsters has acted as legal auditor of NN Life in the previous financial year.

Regarding the scope of the auditing work, Mr Kolsters states that EY has audited around 90% of assets, capital and earnings before taxes. Another important point is that, in the case of certain units that lay beyond the scope of consolidation, EY has carried out additional work, in order to determine that no misstatements have been made in that regard.

At the start of the audit, EY draws up an audit plan listing among other items, the areas of risk, materiality figures, and the entities within the scope. After discussing these, the Audit Committee and Supervisory Board approved the audit plan.

The main areas of risk in the audit, the so-called key audit matters, are also included in the auditor's report. These concern the estimates used in calculating the technical provisions and IFRS adequacy tests, investment valuations, and information related to them, solvency - comments on both Solvency I and Solvency II - the reliability and continuity of IT systems and potential liabilities in connection with unit-linked products. For each of these components, EY has described the specific characteristics on which they focused and the work they carried out in its report. In broad terms, one could say that, wherever possible, EY looked at the organisation's measures for internal control and determined that they were effective. In addition, a number of substantive testing tasks have been carried out in order to examine the underlying substantiation for recognising the various items.

Mr Kolsters returned to one area of risk: Solvency II, the new basis for supervisory authorities to evaluate insurance companies. NN Group has incorporated the information on Solvency II into its annual accounts. In this regard NN Group is well ahead of the industry, given that most of NN Group's competitors have included this information in their management reports or else in additional presentations outside their annual accounts. The fact that NN Group has incorporated the information into its annual accounts, means that the accounts are subject to audits on the part of EY and that work has been carried out in order to allow this information to be incorporated into the annual accounts. Mr Kolsters states that this was unusual in auditing and compliments NN Group on this.

Next, there is a brief discussion on communication and interaction between members of the Executive Board and the supervisory bodies. The whole year saw cooperation in a process where the communication and interaction with board members was very open and transparent. This was important for conducting a good audit. At the same time, EY has also been subject to criticism: several supervisors have questioned EY's arguments and the figures that management had reported. Critical attitudes of that nature were applauded by auditors.

To wrap up, Mr Kolsters remarks that the manner in which the organisation looks at audits and risks, and the risk acceptance involved, is appropriate for a publicly traded financial institution like NN Group.

The chair thanks Mr Kolsters for his elucidations and gave the shareholders in attendance an opportunity to ask questions, but points out that Mr Kolsters will only answer questions concerning the auditing of the annual accounts, the work the auditor carried out in relation to the accounts or the auditor's report.

Mr Keyner has a question about estimating risks that has also been cited as being points for consideration. His question concerns the 'woekerpolissen' unit-linked products affair. Within IFRS there is a rule that, if something cannot be precisely stated or is not concrete, then it is not necessary to cite any amount or create any provision. This is, in fact, not permissible, says Mr Keyner. In the case of Solvency II this is not how it works, as Mr Keyner understands it: risks have to be taken into account in determining the buffer, even if they are not all that clear and not precisely quantifiable. Mr Keyner wants to hear from the Audit Committee, and of course from the company auditor, how estimates are made, how ranges are set and how this is compatible with Solvency II.

Mr Kolsters explains that IFRS and Solvency II differ on that specific point. IFRS requires that a reliable estimate has to be made before anything could be recorded; Solvency II deviates from this completely by requiring that an estimate needs to be recorded. NN Group states in its annual accounts that they contain no estimates. NN Group has therefore adopted the same position as under IFRS and has provided an adequate explanation of why that is not possible. EY has considered NN Group's explanation to be adequate.

Mr Keyner asks whether EY was advised by external legal specialists who might claim that an estimate can be made. He is thinking specifically about ranges between EUR 10 million and 100 million, or between EUR 1 billion and 3 billion.

Mr Kolsters remarks that various specialists have been consulted in the in-house team. On that specific point EY has consulted internal legal specialists and spoken with several of the organisation's external legal advisers. The conclusion is that no reliable estimate could be made for this specific item. EY supports that conclusion.

Mr Keyner states that the answer is clear. He then raises a question about dependence on or sensitivity to interest rates. One of the most important factors for a life insurer, which, after all, is what Nationale-Nederlanden largely is, says Mr Keyner, has to do with the way it can discount its obligations over the long term. An artificially higher discount rate can be used within Europe, the Ultimate Forward Rate (UFR), which is 4.2%. All over Europe, the sector has lobbied heavily not to have to lower the very long-term discount rate by much. What would happen if the rate goes from 4.2% to 3% and perhaps ultimately to 2%? It will have an enormous impact on the balance sheet and by extension also on the buffers that remain. While it will not be the case in the next three years, in the present era of negative short-term interest rates, medium-term interest rates around 0%, and also long-term interest rates that are increasingly converging to 0%, the moment will come when it will be said that this artificially high discount rate of 4.2% or 3.7% is no longer credible, and that we are really only overestimating our assets on paper, as our obligations are much more expensive in the real world. What will the consequences be for the shareholders, if, in the reporting and annual accounts, the UFR has to be adjusted from 4.2% to 2% in a few years' time? That is the negative question. Now the positive one: we find ourselves in a period during which it is thought that interest rates are heading towards zero and that this state of affairs will persist for a very long time. Hopefully, a time will come when interest rates become somewhat normalised. That will make the lives of insurers a lot easier, because it will be easy to develop products with a guaranteed element that consumers will find appealing. Mr Keyner is seeing insurers, including Nationale-Nederlanden, trying to mitigate interest rate risks as much as possible, to hedge them. He asks to what extent Nationale-Nederlanden can benefit from a return to normal interest rates - including over the long term.

Mr Friese explains that NN Group fine-tuned its asset cash flows as closely as possible to its liability cash flows. This ensures that NN Group's sensitivity to parallel moves in the interest rate curve is relative, as described by our annual report. The Group's sensitivity to different kinds of shocks is demonstrated at NN Group's Capital Markets Day and in its disclosure for the fourth quarter of 2015. It is shown that NN Group has a certain sensitivity to parallel upward or downward moves in the interest rate curve thanks to its highly active style of balance sheet management. NN Group's ALM management in that area is especially intensive and involved continuously watching the markets, expectations, developments, etc. The Group's balance sheet policy is aimed at maintaining a good, solid solvency position.

In periods during which interest rates move higher, this is good for profitability according to IFRS. NN Group is not especially sensitive to parallel moves in the interest rate curve on the capital side, but more sensitive to partially asymmetrical moves on the long end of the curve.

Mr Keyner (VEB) understands this to mean that solvency is not the issue here, but that NN Group will be in a position to benefit if interest rates begin to exhibit normal patterns and increases to normal levels.

Mr Friese points out that the entire industry will profit from this, in the area of life insurance in terms of IFRS – and that includes NN Group. Offering guarantees that are affordable for customers will of course be much easier at higher interest rates. We do not live in that world, however, and NN Group is therefore also not focusing on that scenario. NN Group has a very realistic view of the world and is therefore focusing on the world as it is today.

Mr Keyner (VEB) asks whether that means that a higher interest rate will not only be helpful for new products, but that a higher profit margin will be reached for the existing product portfolio under IFRS as well.

Mr Rueda explains that moves in interest rates affects solvency, operating results and capital generation going forward. Higher interest rates will make it easier for NN Group to invest in fixed-income securities, which will be beneficial to our operating results and solvency.

Mr Keyner (VEB) asks whether NN Group has not hedged for that.

Mr Rueda follows by answering Mr Keyner's question on the consequences of changes in the UFR. Many of the shareholders present are probably familiar with EIOPA's round of consultations on adjusting the UFR in the future. In the current proposal it is suggested that the UFR be lowered in steps over the coming years to 3.7% by 2019. Were the proposed percentage to be applied to the solvency position as at 31 March, NN Group's solvency ratio, instead of being 241%, would be 15 percentage points lower at 226%. NN Group will always make its calculations on the basis of the UFR rates defined by EIOPA. If these were lowered, it would diminish NN Group's solvency, but, on the plus side, NN Group would start to generate more capital over the following quarters. In other words, the Group's solvency position would be lower in the wake of a lowering of the UFR, but its future capital generation would increase. Mr Rueda is not concerned about how high the UFR is.

Mr Keyner (VEB) says that this is also a political process. What he worries about is that people will say that kind of political process is no longer feasible, and some sort of guideline will be issued to the effect that the UFR is approximately 2%. What would the consequences be for the Solvency II ratios?

Mr Rueda answers that consequences for the Solvency II ratios and for the discount rate have already been explained and that there has perhaps been a misunderstanding. The discount rate that applies to long-term maturities is not 4.2%, but very slow growth that heads towards 4.2%. If we look at 40- or 50-year maturities, the discount rate is considerably lower. In any event, the discount rate that NN Group and the insurance sector use to determine the present value of obligations is rather conservative. Most life insurance companies earn a higher margin on their assets than this discount rate. How you determine your obligations naturally has an impact on your degree of solvency. What ultimately matters, however, is the fact that NN Group has always tried to match the cash flows from its assets against those from its obligations. This has always worked very well for NN Group. Mr Rueda is therefore not worried about the UFR.

Mr Keyner (VEB): Is Mr Rueda not very worried about maybe having to adjust the 2.0% sometime in 2025?

Mr Rueda: The solvency ratio would go down and there would be consequences in terms of perceptions, the market and the solvency of many companies. It is clear that NN Group is very well positioned in relative terms, not only in the Netherlands but in Europe as well. The discount rate would doubtless have some impact on solvency in terms of the ratio, but not to such a degree that it would create a major problem for NN. Mr Rueda follows by stating that he does not wish to speculate on future interest rate levels. What is most important is that NN Group matches the cash flows from its obligations well. Secondly, NN Group is highly solvent. Moreover, regardless of the discount rate applied by EIOPA, it would be the one NN Group uses in its reporting.

Mr Keyner (VEB) asks whether shareholders can be reassured that NN Group will be able to handle the situation with ease if the UFR ends up below 2%.

Mr Rueda: The question concerns a hypothetical scenario that would have enormous consequences for the entire sector. It does not seem opportune to speculate on it. EIOPA is a responsible body. NN Group looks at the targeted UFR, which relates to expectations in the very long term and not the short-term situation in relation to interest rates.

Mr Keyner (VEB) states that he is not sufficiently reassured, but that he respects and acknowledges that NN Group is much better equipped to handle a situation whereby long-term obligations are discounted at a lower discount rate. According to Mr Keyner this does not mean that NN Group will not experience any problems, but that its competition would doubtless experience significant problems in his view.

Mr Rueda hopes that he has reassured Mr Keyner and the others present sufficiently that NN Group does not need to worry about the UFR discount rate. The discount rate will not create any problems for NN Group as far as it can be seen.

The chair wraps up by remarking that the Supervisory Board's Risk Committee has very regularly engaged in similar discussions.

Mr Taverne (VBDO) asks about the level of verification of the social or non-financial part of the report. Verification of the financial part of the report has always enjoyed some degree of certainty, whereas verification of the non-financial part is invariably associated with the statement to the effect that 'nothing has come to our attention to indicate that the contents are incorrect', i.e. a statement in the negative. Mr Taverne is convinced that EY is in a position to also be able to issue positive statements concerning non-financial information. Given the fact that we are talking about an integrated report, Mr Taverne wonders whether it would not be better to have a single verification statement for the report in its entirety?

Mr Kolsters (EY) confirms that his colleague has issued a declaration of demonstration for the sustainability supplement and additional information. With regard to the annual accounts, there is an obligation to provide a greater degree of assurance than in the case of the sustainability supplement and additional information. In carrying out its auditing work concerning the financial year 2015, EY has acted in conformity with the assignment as given by NN Group.

Mr Taverne (VBDO) states that the Supervisory Board will have to make a decision regarding the integration of these statements.

Mr Taverne continues with a question about taxes and wants to know where NN Group stands with regard to country-by-country reporting, which may be made mandatory for the entire industry. May NN Group be prepared to do so voluntarily? Mr Taverne also wants to know NN Group's thoughts on the use of jurisdictions like Bermuda and the Cayman Islands for tax evasion purposes, also in light of the fact that NN Group provides services in these jurisdictions. He asks for a statement that the presence of NN Group in the countries in question is not intended to place customers in a position to evade taxes.

The chair points out that tax payments has been itemised by country for the first time in this annual report. In this sense NN Group is ahead of the game where the possibility of mandatory country-by-country reporting in the future is concerned.

Mr Rueda refers to the summary of the Group's tax strategy and policy along with the tax burdens for 2015 and 2014, which are included in the annual report. On pages 93 and 94 of the annual accounts, employee numbers, operating results and tax burdens are detailed by country. Incidentally, the latter figures relate exclusively to corporate taxes and therefore not, for example, income taxes, insurance premium taxes, or VAT imposed by the tax authorities in those countries.

On the question about the company's activities in tax-free countries and jurisdictions, Mr Rueda refers to NN Group's tax policy as published on its website. That policy is in line with the values of NN Group: 'We care. We are clear. We commit.' Mr Rueda points out that the transparency in the Group's reporting has increased. Part of NN Group's tax strategy is that the Group pays taxes wherever its activities take place. NN Group does not use transfer pricing for the purposes of tax savings.

Mr Rueda stresses that, contrary to what Mr Taverne has proposed, NN Group does not engage in any specific activities in the aforementioned tax havens, but in some cases funds, Group's legal entities or investments that were registered there, and always in accordance with total transparency. In no sense does NN Group facilitate investments aimed at lowering its customers' taxes.

Mr Stevense (SRB) asks whether there are any points for consideration for 2016 from EY's standpoint? Has EY drawn up any specific issues for 2016?

Mr Kolsters (EY) answers that 2015 has been the last year in which EY conducts NN Group's external audits. In 2016 the assignment is to be taken over by their colleagues at KPMG. The audit for 2015 is conducted in conformity with the applicable requirements. Any points that EY feels warranted consideration are pursued in the audit and hence there are no longer any points pending resolution from EY's standpoint.

Mr Stevense (SRB) asks whether EY has informed KPMG of any points for consideration.

Mr Kolsters (EY) explains that EY and KPMG have already been working together on the transition for nine months. In that time, EY has informed KPMG on the audit process, and KPMG is referred to issues of significance in conducting the audit. As just mentioned, there are no longer any points pending resolution, and EY has issued an unqualified opinion.

Mr Stevense (SRB) is referring more to the smaller entities that tends sometimes to be a little less rigorous, as they think that they will not be audited so strictly and be presented with a list of minor infractions.

Mr Kolsters (EY) refers to the scope of the audit. EY ultimately audited around 90% of assets, capital and earnings before taxes. Furthermore, EY carried out additional work in respect of units and entities not directly included within the Group's scope of consolidation. This work can consist of subjecting figures to analytical review, or to specific balance-sheet items. Mr Kolsters reiterates that the annual accounts as a whole give a true and fair view.

The chair establishes that there are no further questions and projects a slide showing the capital represented by those in attendance and their representatives. 73.63% of NN Group's share capital is represented at the General Meeting of Shareholders.

The chair moves onto the vote on the proposal to adopt the annual accounts for the financial year 2015 and gives the floor to Ms Stuijt for an explanation of the voting procedure.

The proposal is then put to the vote.

The chair determines the proposal to have been adopted and thanks EY, now that the collaboration has come to an end following the audit of reporting year 2015, and given that KPMG Accountants will be the new NN Group external auditor from 1 January 2016. The chair re-acknowledges the outstanding collaboration with EY and the latter's valuable contribution in recent years, particularly in the course of NN Group's recent move to independence.

The chair closes item 4A on the agenda and moves onto item 4B.

4B. Explanation of the profit retention and distribution policy

The chair addresses the explanation of the profit retention and distribution policy and refers to the dividend policy as published on the website of the company.

The chair states that the company intends to pay an ordinary dividend in line with its medium term financial performance and envisages an ordinary dividend pay-out ratio of 40-50% of the net operating result from ongoing business.

Barring unforeseen circumstances, the company intends to declare an interim dividend with the disclosure of its second quarter results and to propose a final dividend at the annual general meeting of shareholders.

The company intends to pay dividends either in cash, after deduction of withholding tax if applicable, or in ordinary shares from the share premium reserve at the election of the shareholder and intends to neutralise the dilutive effect of the stock dividend on earnings per ordinary share through repurchase of ordinary shares. In addition, capital generated in excess of NN Group's capital ambition (which may change over time) is expected to be returned to shareholders unless it can be used for any other appropriate corporate purposes, including investments in value creating corporate opportunities.

NN Group is committed to distributing excess capital in a form which is most appropriate and efficient for shareholders at that specific point in time, such as special dividends or share buybacks.

When proposing a dividend, NN Group will take into account, among other things, its capital position, leverage and liquidity position, regulatory requirements and strategic considerations as well as the expected developments thereof. There is no requirement or assurance that the company will declare and pay any dividends.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda.

The chair closes item 4B on the agenda and moves onto item 4C.

4C. Proposal to pay out a dividend

The chair addresses the proposal to pay out a dividend and refers to the proposal with explanations, as included on page 4 of the call to meeting.

The chair states that the Executive Board proposes a final dividend for 2015 of EUR 1.05 per ordinary share or approximately three hundred and forty-one million euros (EUR 341,000,000) in total based on the current number of outstanding shares, naturally excluding treasury shares.

On 7 September 2015, the company paid out an interim dividend of EUR 0.46 per ordinary share, bringing the total dividend for 2015 to EUR 1.51 per ordinary share. This proposed dividend is equivalent to a dividend pay-out ratio of the company's full-year 2015 net operating result of the ongoing business. Shareholders are given the option to receive the final dividend for 2015 either fully in cash or fully in ordinary shares. Following the election by shareholders, NN Group will neutralise the dilutive effect of the stock dividend on earnings per ordinary share through the repurchase of ordinary shares.

The proposal also includes granting the Executive Board the authority to issue the ordinary shares necessary to pay out the stock dividend and to exclude pre-emptive rights of shareholders in this respect.

The ordinary shares in the capital of the company will be quoted ex dividend on 7 June 2016. The dividend will be made available for distribution on 28 June 2016. Pursuant to the capital requirements of Solvency II, dividends may only be paid out in the event that NN Group meets the applicable solvency capital requirement as set forth in the Solvency II regulations. The resolution to pay out the dividend is therefore attached to a binding condition. This condition stipulates that where a decision is made to make a distribution as set forth in the call to meeting, NN Group will nevertheless not be able to proceed with the pay-out on 28 June 2016, should the company fail to meet the solvency capital requirement on that date. Based on the most recent publication, with a Solvency II ratio of 241%, NN Group easily meets the solvency capital requirement.

The proposal has been approved by the Supervisory Board.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to make a distribution from the distributable reserves to a vote and establishes that the proposal has been adopted.

The chair closes item 4C on the agenda and moves onto item 4D.

4D. Proposal to make a distribution from the company's distributable reserves

The chair addresses the proposal to make a distribution from the company's distributable reserves and refers to the proposal with explanations, as included on pages 4 and 5 of the call to meeting.

The chair states that the Executive Board may, with the approval of the Supervisory Board, make interim distributions to shareholders from the earnings realised during the current financial year, provided that the legal requirements concerning the company's capital have been met.

In addition, based on a proposal by the Executive Board that has been approved by the Supervisory Board, a resolution on the payment of a dividend from the company's distributable reserves is requested of the General Meeting.

In line with its distribution policy, the company intends to pay out two dividends per year, provided the strategy, capital, and solvency of the company allow for such.

If and insofar as the Executive Board, with the approval of the Supervisory Board, resolves in favour of distributing an interim dividend, but the earnings realised in the current financial year are insufficient to pay out an interim dividend, a pay-out from the company's distributable reserves, not to exceed 10% of said reserves as recorded in the annual accounts for the financial year 2015, will be proposed to cover the shortfall.

If applicable, the Executive Board, with the approval of the Supervisory Board, will determine the precise amount of the pay-out from distributable reserves on the basis of this resolution.

The reason for this proposal is to prevent volatile (interim) dividend payments and to avoid situations where results are impacted by non-recurring events, although it is expected that the annual profit will be sufficient to pay out dividends in line with the distribution policy and the pay-out ratio.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to make a distribution from the company's distributable reserves to the vote and establishes that the proposal has been adopted.

The chair closes item 4D on the agenda and moves onto item 5A.

5A. Proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2015

The chair addresses the proposal to release the members of the Executive Board from liability for their respective duties performed during the financial year 2015, insofar as the exercise of those duties has been reflected in the annual accounts of said year, or had otherwise been made public prior to adopting this resolution. The chair refers to the proposal with explanations, as included on page 5 of the call to meeting.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to discharge the members of the Executive Board in respect of the performance of their duties in the financial year 2015 as described under agenda item 5 of the call to meeting to the vote and subsequently establishes that the proposal has been adopted.

The chair closes item 5A on the agenda and moves onto item 5B.

5B. Proposal to release the members of the Supervisory Board from liability for their respective duties during the financial year 2015

The chair addresses the proposal to discharge the present members of the Supervisory Board, along with former members whose term on the board expired in the course of the financial year 2015 – specifically Mr Hamers, Mr Flynn and Mr Nagel – from liability for their respective duties during the financial year 2015, insofar as the exercise of those duties have been reflected in the annual accounts in said year, or have otherwise been made public prior to adopting this resolution. The chair refers to the proposal with explanations, as included on page 5 of the call to meeting.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to discharge the members and former members of the Supervisory Board in respect of the performance of their duties in the financial year 2015, as described under agenda item 5 of the call to meeting, to the vote and subsequently establishes that the proposal have been adopted.

The chair thanks the acting members of the Supervisory Board, Mr Hamers, Mr Flynn and Mr Nagel, for their valuable contributions to the Board during NN Group's transition towards becoming an independent publicly traded company.

The chair closes item 5B on the agenda and moves onto item 6. In this context, he gives the floor to Mr Harryvan, vice-chair of the Supervisory Board.

6A. Proposal to reappoint Jan Holsboer as member of the Supervisory Board

The vice-chair explains that the Supervisory Board of NN Group consists of seven members as at 2 June 2016. According to the Rotation Plan of the Supervisory Board, Mr Holsboer's term of appointment expires on 2 June 2016, the date of this meeting. The Supervisory Board nominates Mr Holsboer for re-appointment as member of the Supervisory Board. Mr Holsboer has let it be known that he is available for re-appointment. In the event that the General Meeting reappoints Mr Holsboer as Member of the Supervisory Board, the Supervisory Board also wants to reappoint him as chair of that body.

Mr Holsboer is being nominated for re-appointment as Member of the Supervisory Board for a term not exceeding four years. The appointment will enter into effect on 2 June 2016 and expire upon the conclusion of the 2020 Annual General Meeting.

An abridged CV for Mr Holsboer, citing a number of his current positions, has been included in the call to meeting.

Mr Holsboer is being proposed on account of his many years of experience in the insurance sector in particular, his experience as a Supervisory Board member and the expertise he has displayed in carrying out his duties as both a member and chair of the Supervisory Board. His nomination for re-appointment is in keeping with the profile of the Supervisory Board.

Mr Holsboer is independent as per the provisions of the Corporate Governance Code of the Netherlands. The number of management positions and supervisory-board memberships Mr Holsboer holds, meets the applicable legal requirements in the Netherlands. Mr Holsboer does not own any shares in the capital of NN Group. The Works Council of NN Group has informed the Supervisory Board that it supports Mr Holsboer's re-appointment.

The Supervisory Board's nomination of Mr Holsboer for re-appointment is conditional on the General Meeting not recommending any other persons for that nomination and not requesting a deferral of the appointment for the purposes of making a recommendation of that nature. In the event that the General Meeting does wish to request such a deferral, a separate vote will be held on that matter.

The vice-chair then states for the record that no one wishes to recommend the nomination of another person to fill the vacancy in question. The vice-chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The vice-chair puts the proposal to reappoint Mr Holsboer as Member of the Supervisory Board to the vote and establishes that the proposal has been adopted. He congratulates Mr Holsboer on his re-appointment as a Member of the Supervisory Board of NN Group, closes item 6A of the agenda and gives the floor to the chair.

The chair thanks the shareholders for the trust they have shown and moves onto item 6B.

6B. Proposal to reappoint Yvonne van Rooij as member of the Supervisory Board

The chair explains that according to the Rotation Plan of the Supervisory Board, Ms Van Rooij's term of appointment likewise expires on 2 June 2016. The Supervisory Board nominates Ms Van Rooij for re-appointment as member of the Supervisory Board. Ms Van Rooij has let it be known that she is available for re-appointment.

Ms Van Rooij is being nominated for re-appointment as member of the Supervisory Board for a term not exceeding four years. The appointment will enter into effect on 2 June 2016 and expire upon the conclusion of the 2020 Annual General Meeting.

An abridged CV for Ms Van Rooij, citing a number of her current positions, has been included in the call to the meeting.

Ms Van Rooij is being nominated for re-appointment on account of her many years of experience in the political arena, her in-depth knowledge of international economic policy, her hands-on commitment to social issues, her experience as a Supervisory Board member and the expertise she has displayed in carrying out her duties as a member of the Supervisory Board. Her nomination for re-appointment is in keeping with the profile of the Supervisory Board.

Ms Van Rooij does not own any shares in the capital of NN Group and is independent as per the provisions of the Corporate Governance Code of the Netherlands. The number of management positions and supervisory-board memberships Ms Van Rooij holds, meets the applicable legal requirements in the Netherlands.

The Works Council of the company has exercised its enhanced rights of recommendation and has requested that the Supervisory Board nominates Ms Van Rooij as the person officially recommended by the Works Council's for the position. The Supervisory Board's nomination of Ms Van Rooij for re-appointment is conditional on the General Meeting's not recommending any other persons for that nomination and not requesting a deferral of the appointment for the purposes of making a recommendation of that nature. In the event that the General Meeting does wish to request such a deferral, a separate vote will be held on that matter.

The chair then states for the record that no one wishes to recommend that another person be nominated to fill the vacancy in question.

Before proceeding with the vote, the chair gives the shareholders in attendance the opportunity to ask questions.

Mr Keyner (VEB) states that he has no doubts whatsoever concerning Ms Van Rooij's expertise and commitment. Given the elevated number of managerial and supervisory positions Ms Van Rooij holds, he does however wonder whether, in the case of a duty as important as this one, she will be able to give NN Group the full attention it deserves - particularly if at some point NN Group is not faring as well as it is at present. Mr Keyner points out that he is not referring to legal frameworks, but to the underlying reasons for their existence.

The chair agrees that it is extremely important that NN Group not only has highly qualified Supervisory Board members but also members that are available. The chair points out that Ms Van Rooij has always been in attendance at these meetings, that she has always been available for consultation, at meetings or elsewhere, which at NN Group is a regular occurrence. The chair then states that he does not have the slightest doubt that Ms Van Rooij will continue to be able to devote herself to her duties in the coming period, and that she will be available to do all the work needed to do a good job on the Supervisory Board.

Ms Van Rooij adds to this that she is highly aware of the responsibility she bears in being a member of the Supervisory Board and that, compared to 20 years ago, when she also sat on the board, the requirements of the job are completely different. She also points out that the number of positions don't determine the time involved to such a great extent. Sometimes 20 positions combined requires less time than two specific positions. As one example of a position where Ms Van Rooij does not spend any time at meetings, she cites her membership of the Board of Governors of the Kamp Vught National Monument (Netherlands). Ms Van Rooij states that working for NN Group gives her great pleasure and a great sense of commitment, and that she is aware of the fact that her position there can at times take up a lot more of her time than the time she normally spends there, which is about one day a week.

Mr Vreeken (WeConnectYou) remarks that Ms Van Rooij is an ideal candidate and offers some further suggestions concerning NN Group's potential sponsorship of the Royal Concertgebouw Orchestra and football in the Netherlands.

The chair puts the proposal to reappoint Yvonne van Rooij as a member of the Supervisory Board to the vote and establishes that the proposal has been adopted.

He congratulates Ms Van Rooij on her re-appointment as a member of the Supervisory Board of NN Group, closes item 6B of the agenda and moves onto item 7.

7A. 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

The chair addresses the 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 and refers to the proposal with explanations, as included in the call to meeting on pages 6 and 7.

The chair points out that the authority to issue shares and grant rights to subscribe for them rests with the General Meeting. However, upon proposal by the Executive Board, and subject to the approval of the Supervisory Board, the General Meeting may resolve to appoint the Executive Board as the body authorised to do so.

On 28 May 2015, the General Meeting appointed the Executive Board to this competence for a term of 18 months, to start on 28 May 2015. This authority is therefore to lapse on 28 November 2016, unless it is renewed for an extension period.

In order to be able to react to circumstances that call for shares to be issued, the Executive Board and the Supervisory Board believe it desirable that the General Meeting grants this authority again to the Executive Board, for a term of 18 months from 2 June 2016 until 2 December 2017, for a maximum issue of 10% of the issued share capital in the company on 2 June 2016 , plus 10% of the issued share capital in the company in the event of a merger or takeover, or in the event that the Executive Board and Supervisory Board feel that an issue of this nature is needed to protect or retain the assets of the company. The Supervisory Board has approved this proposal. The authority, if granted, would replace the authority granted on 28 May 2015.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to appoint the Executive Board as the body authorised for making decisions to issue ordinary shares and grant rights to subscribe for ordinary shares, as described under agenda point 7A of the call to meeting, to the vote and establishes that the proposal has been adopted.

The chair closes item 7A on the agenda and moves onto item 7B.

7B. Proposal to designate the Executive Board as the competent body to resolve to limit or exclude the pre-emptive rights of shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares

The chair addresses the proposal to designate the Executive Board as the competent body to resolve to limit or exclude the pre-emptive rights of shareholders when issuing ordinary shares and granting rights to subscribe for ordinary shares and refers to the proposal and its explanation as included in the call to meeting on pages 6 and 7.

The chair points out that the authority to limit or exclude the pre-emptive rights of existing shareholders whenever ordinary shares are issued, or rights to subscribe for ordinary shares are granted, resides with the General Meeting. However, upon proposal by the Executive Board, and subject to the approval of the Supervisory Board, the General Meeting may resolve to appoint the Executive Board as the body authorised to do so.

On 28 May 2015, the General Meeting appointed the Executive Board to this competence for a term of 18 months, to start on 28 May 2015. This authority will lapse on 28 November 2016, unless it is renewed for an extended period.

In order to be able to react to circumstances that call for shares to be issued as well as for the limitation or exclusion of pre-emptive rights, the Executive Board and the Supervisory Board believe it desirable that the General Meeting grants this authority again to the Executive Board for a term of 18 months, from 2 June 2016 until 2 December 2017. The Supervisory Board has approved this proposal. The authority, if granted, will replace the authority granted on 28 May 2015.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts to the vote the proposal to designate the Executive Board as the body authorised to make a decision to limit or exclude the pre-emptive rights of shareholders when ordinary shares are issued and when granting rights to subscribe for ordinary shares, as described under agenda point 7B of the call to meeting. He subsequently establishes that the proposal has been adopted.

The chair closes item 7B on the agenda and moves onto item 8.

8. Proposal to authorise the Executive Board to acquire ordinary shares in the company's capital

The chair addresses the proposal to authorise the Executive Board to acquire ordinary shares in the capital of the company and refers to the proposal with explanations, as included on pages 7 of the call to meeting.

The chair points out that the company may acquire fully paid-up own shares otherwise than for no consideration, provided the General Meeting has authorised the Executive Board to do so. A resolution by the Board of Directors to acquire shares of this nature will be subject to the approval of the Supervisory Board.

On 28 May 2015 the General Meeting authorised the Executive Board to acquire fully paid-up own shares for a term of 18 months, starting on that same date. This authorisation will lapse on 28 November 2016, unless it is renewed for an extended period.

The Executive Board and the Supervisory Board feel it will be desirable for the aforementioned authorisation to be granted anew. The purpose of this authorisation is to allow the company to purchase ordinary shares in its own capital and return capital to the shareholders of the company, or to pursue other objectives, as well as for the company be able to respond promptly to circumstances calling for the purchase of shares.

The authorisation solicited is to be granted for a period of 18 months, from 2 June 2016 to 2 December 2017. As Mr Friese indicates in his presentation, the company has recently announced its intention to buy back its own shares, for a total amount not to exceed EUR 500 million, over a period of 12 months starting from 1 June 2016. This purchase will require the solicited authorisation. This authorisation is subject to the condition that, immediately after the acquisition, the total par value of the ordinary shares in the capital of the company held or held in pledge by the company, or held by its subsidiaries for their own account, may not exceed 10% of the issued share capital of the company as at 2 June 2016. The shares may be disposed of, on the open market or otherwise, at prices no lower than the nominal value of the ordinary shares in the capital of the company, and at no higher than 110% of the highest market price of the shares on Euronext Amsterdam on the day they are acquired or on the previous day of trading.

The chair gives the shareholders in attendance an opportunity to ask questions.

Pursuant to a question put by Mr Van Riet, the chair elucidates on the maximum price.

The chair then puts the proposal to authorise the Executive Board, as described in the call to meeting under agenda item 8, to the vote and establishes that the proposal has been adopted.

The chair closes item 8 on the agenda and moves onto item 9.

9. Proposal to reduce the issued share capital by cancellation of ordinary shares held by the company

The chair addresses the proposal to reduce the issued share capital by cancellation of ordinary shares held by the company and refers to the proposal with explanations, as included on page 7 of the call to meeting.

The chair indicates that the company holds over EUR 8.5 million in ordinary shares in its own capital which it acquired through share buy-backs. For the purposes of further optimising the company's capital structure, the company wishes to have the option to cancel treasury shares, insofar as the shares in question are not to be used in the fulfilment of the company's obligations under equity-related remuneration arrangements. The cancellation of ordinary shares in the capital of the company require a resolution of the General Meeting on a proposal by the Executive Board, which has been approved by the Supervisory Board.

The proposal calls for the cancellation of up to 20% of the issued share capital of the company on 2 June 2016. This cancellation may take place in one or more tranches. The actual number of shares cancelled in connection with this resolution is to be determined by the Executive Board. The Supervisory Board has approved this proposal.

The chair gives the shareholders in attendance the opportunity to ask questions and establishes that there are no questions concerning this item on the agenda. The chair puts the proposal to reduce the issued share capital by cancellation of ordinary shares hold by the company, as described under agenda point 9 of the call to meeting to a vote and subsequently establishes that the proposal has been adopted.

The chair closes item 9 and moves onto the final item on the agenda, item 10.

10. Any other business and closing

Mr Groen from Scheveningen, wonders to what extent blockchain technology is already being used in pioneering ways to reduce fraud and possibly costs as well.

The chair notes that the underlying Bitcoin technology is an extraordinarily current topic that has also been on the agenda of the Supervisory Board.

Mr Friese remarks that NN Group is continuously engaged in developments in many different areas. Some technologies have reached a certain stage of development where one has to think very hard about where they can be applied, and also about how stable they are, etc. This is an example of a technology NN Group is following very closely.

Mr Stevense (SRB) requests that the financial agenda looks further ahead.

Mr Friese points out that NN Group has just published all its data for the following year.

Mr Stevense (SRB) then expresses his concerns about the continuity of the Supervisory Board. Currently, according to the Rotation Plan, four of its seven members are scheduled to step down in 2020.

The chair explains that the Supervisory Board has only recently been assembled, and that it is inevitable that some of the items in the Rotation Plan will coincide. The chair stresses that the Supervisory Board will ensure that the continuity of the board is preserved.

Mr Veen (Rijswijk) asks whether, given the profits that are being earned, NN Group is prepared to buy the head office building in The Hague, which is currently being leased.

Mr Friese explains that NN Group has a large real estate portfolio in which it invests. All investment decisions are made on rational grounds, and, among other factors, the expected risks and returns are taken into account.
NN Group is content with the present situation whereby NN Group leases De Haagsche Poort building.

Mr Veen (Rijswijk) refers to the extraordinary General Meeting convened last year to appoint several Supervisory Board members. He is curious as to whether this meeting meets Ms Vletter-van Dort's expectations and how she feels about this meeting.

Ms Vletter-van Dort thanks Mr Veen for his question and states that the meeting meets her expectations, and that she hopes that the shareholders feel the same way. The purpose of a General Meeting is to create a dialogue with shareholders and there has been extensive dialogue. Ms Vletter-van Dort ends by expressing a positive view of the quality of the questions asked.

The chair establishes that there were no further questions, stating that if the shareholders wish to receive a copy of the minutes of this meeting, they can complete a request form at the information desk. He adds that the final outcomes of the votes will be posted on NN Group's website within a few days, and that the outcomes may, to some extent, differ from the ones indicated at the meeting.

The chair thanks those in attendance for coming, for their questions and for their commitment to NN Group. With no other business remaining, the chair closes the meeting at five hours and fifty-two minutes post meridien.

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