

NN Group N.V. 2018 Solvency and Financial Condition Report



Solvency and Financial

Condition Report

Summary

A. Business and Performance	6
B. System of Governance	10
C. Risk Profile	18
D. Valuation for Solvency Purposes	20
E. Capital Management	29
Appendix Quantitative Reporting Templates	39

Summary

NN Group's approach to the Solvency and Financial Condition Report

This Solvency and Financial Condition Report ('SFCR') provides public quantitative and qualitative disclosures for NN Group N.V. ('NN Group') on Solvency II as required by the Solvency II legislation. NN Group already discloses most of the information that is required to be included in the SFCR in its 2018 Annual Report ('Annual Report'). In order to ensure the most transparent and user-friendly approach, the information that is already included in the Annual Report (including the Consolidated annual accounts, the Annual review and the Financial Report) is not duplicated in this SFCR. Therefore, this SFCR is prepared as a supplement to NN Group's Annual Report. It includes all information required to be disclosed in the SFCR, either through a specific reference to the Annual Report or as supplemental information.

As required by the Delegated Regulation (EU) 2015/35/Annex XX 'Structure of the Solvency and Financial Condition Report and Regular Supervisory Report', this SFCR follows the required standard chapter layout. The subjects addressed are based on Directive 2009/138/EC/ and (amended) Directive 2014/51/EU section 3 – Public Disclosures (articles 51-56), Delegated Regulation (EU) 2015/35 and (amended) Delegated Regulation (EU) 2016/467 chapter XII Public Disclosures (articles 292-298).

NN Group is required to submit the so-called Quantitative Reporting Templates ('QRTs') to its supervisor Dutch Central Bank ('DNB'). A subset of these QRTs, which are required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2018, are included in the appendix to this SFCR.

The amounts disclosed in this SFCR are, consistent with the amounts in the Annual Report, in millions of euros unless stated otherwise. To comply with the Solvency II legislation, the amounts in the QRTs are in thousands of euros.

The Solvency ratio, as well as the amounts disclosed in this SFCR are not final until filed with the regulators.

Chapter A 'Business and performance' describes the overall business profile and structure of NN Group. It also provides insight into the underwriting and investment performance of NN Group. Chapter B 'Governance system' explains the organisational governance structure and looks into the role and execution of key Solvency II functions. Chapter C 'Risk profile' analyses NN Group's exposure to financial and non-financial risks and explains the risk mitigation techniques in place. Chapter D 'Valuation for group solvency purposes' elaborates on the differences in presentation and measurement of balance sheet elements between Solvency II and International Financial Reporting Standards ('IFRS'). Chapter E 'Capital management' discusses the composition of Available and Eligible Own Funds and the calculation of the Solvency Capital Requirement ('SCR').

Material changes in 2018

On 5 December 2018, NN Group announced that it received approval from DNB to expand its Partial Internal Model under Solvency II to include the Delta Lloyd Life and Non-life entities in the Netherlands. The expanded approved Partial Internal Model is used to calculate regulatory capital requirements effective 31 December 2018.

On 13 December 2018, NN Group announced that it had obtained approval from DNB to execute the legal mergers of Delta Lloyd Levensverzekering N.V. (Delta Lloyd Life) into Nationale-Nederlanden Levensverzekering Maatschappij N.V. (NN Life) and Delta Lloyd Schadeverzekering N.V. (Delta Lloyd Non-life) into Nationale-Nederlanden Schadeverzekering Maatschappij N.V. (NN Non-life). The legal mergers became effective on 1 January 2019. As a result, NN Non-life assumed all assets and liabilities of Delta Lloyd Non-life, and NN Life assumed all assets and liabilities of Delta Lloyd Life, including its subordinated notes of EUR 500 million. These legal mergers had no impact in 2018.

On 16 August 2018 NN Group announced that it had reached an agreement to acquire Aegon's Life Insurance business in the Czech Republic and Aegon's Life Insurance and Pension businesses in Slovakia for a total consideration of EUR 155 million. The transaction was completed in January 2019. The transaction was funded from existing cash resources and does not have a material impact on the operating result and the Solvency II ratio of NN Group. These acquisitions had no impact in 2018.

Eligible Own Funds

Solvency II requires to hold Eligible Own Funds for covering the Solvency Capital Requirement. The Eligible Own Funds are classified in three tiers depending on whether the own fund items are available to absorb losses on a going concern basis and/or in the case of winding-up as prescribed in the Solvency II Legislation. Tier 1 Own Funds items are the highest grade capital and Tier 3 Own Funds are the lowest grade capital.

Eligible Own Funds

In EUR million	2018	2017
Tier 1 (restricted and unrestricted)	13,539	11,907
Tier 2	2,433	2,420
Tier 3	755	1,085
Total Eligible Own Funds	16,727	15,412

Summary continued

Eligible Own Funds increased by EUR 1.3 billion from EUR 15.4 billion at 31 December 2017 to EUR 16.7 billion at 31 December 2018 mainly due to operating capital generation and market variances, partially offset by capital flows to shareholders reflecting the 2018 interim and final dividend and the impact related to the repurchase of the warrants from ING Groep N.V. Market variances reflect the favourable impact of movements in credit spreads as well as positive real estate revaluations, partly offset by negative equity revaluations.

Impact of long term guarantees and transitional measures

The quantification of the impact of a change to zero of the volatility adjustment, the transitional measures on technical provisions and the transitional measures on interest rates on NN Group's Solvency capital ratio - represented by an adjustment on the amount of technical provisions, the SCR, the Basic Own Funds and the Eligible Own Funds, is included in the paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure' on page 26 in Section D.2 and QRT S.22.01.22 'Impact of long term guarantees and transitional measures' in the Appendix.

Solvency Capital Requirement

As at 31 December 2018, the SCR is based on NN Group's Partial Internal Model for the Dutch insurance entities (NN Life, NN Non-life, Delta Lloyd Life, Delta Lloyd Non-life, NN Re and Movir) and the Standard Formula for ABN AMRO Life, ABN AMRO Non-life and international insurance entities of NN Group.

Solvency Capital Requirement

In EUR million	2018	2017
Market Risk	4,055	5,215
Counterparty Default Risk	274	667
Non-Market Risk	5,883	5,649
Total BSCR (before diversification)	10,212	11,531
Diversification	-2,638	-3,208
Total BSCR (after diversification)	7,574	8,323
Operational Risk	659	677
LACDT	-1,456	-1,788
Other	-10	18
Solvency II entities SCR	6,767	7,230
Non Solvency II entities	507	501
Total SCR	7,274	7,731

The Solvency Capital Requirement decreased by EUR 0.4 billion, from EUR 7.7 billion at 31 December 2017 to EUR 7.3 billion at 31 December 2018. The decrease is mainly driven by operating capital generation and market variances reflecting the favourable impact from credit spread movements partly offset by a decrease of interest rates. The negative impact from the decrease of the Dutch corporate tax rate is largely offset by the positive impact of the expansion of the Partial Internal Model to the main Delta Lloyd entities in the Netherlands.

NN Group's Solvency II ratio

The Solvency II ratio of NN Group increased to 230% at the end of 2018 from 199% at the end of 2017. The increase is driven by operating capital generation and market variances, partly offset by capital flows to shareholders. Market variances contributed positively to the ratio reflecting the favourable impact of movements in credit spreads as well as positive real estate revaluations, partly offset by negative equity revaluations and movements in interest rates. Capital flows to shareholders reflect the 2018 interim and final dividend and the impact related to the repurchase of the warrants from ING Groep N.V. The negative impact from the decrease of the Dutch corporate tax rate is mainly offset by the positive impact of the expansion of the Partial Internal Model.

The following table presents the solvency ratio of NN Group at year-end 2018 (and reported at year-end 2017):

Solvency ratio

In EUR million	2018	2017
Eligible Own Funds (EOF)	16,727	15,412
Minimum Capital Requirement (MCR)	3,357	3,442
Solvency Capital Requirement (SCR)	7,274	7,731
Surplus	9,453	7,681
Ratio (%) (EOF/SCR)	230%	199%

Business and performance

A. Business and Performance

Introduction

This chapter of the SFCR contains general information on NN Group, a simplified organisational structure, the scope of entities in Solvency II reporting and NN Group's financial performance over 2018.

A.1 Business

General

Reference is made to the section 'Corporate governance- General' of the 2018 Financial Report for the legal form of NN Group and its legal structure.

The supervisory authority responsible for financial supervision of NN Group:

Dutch Central Bank
Westeinde 1
1017 ZN Amsterdam
The Netherlands

The contact details of NN Group's external auditor are:

Mr. P.A.M. (Peti) de Wit RA
KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Information on the appointment of the external auditor is included in the section 'Corporate governance- External auditor' in the 2018 Financial Report of NN Group.

Qualifying holdings

A 'qualifying' holding is a direct or indirect holding in NN Group which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking. As at 31 December 2018, there were no holders of qualifying holdings in NN Group.

Material lines of business and related undertakings

Reference is made to Note 30 'Segments' and Note 31 'Principal subsidiaries and geographical information' in the 2018 Consolidated annual accounts and the Annual Review for more information on the material lines of business and geographical areas of NN Group.

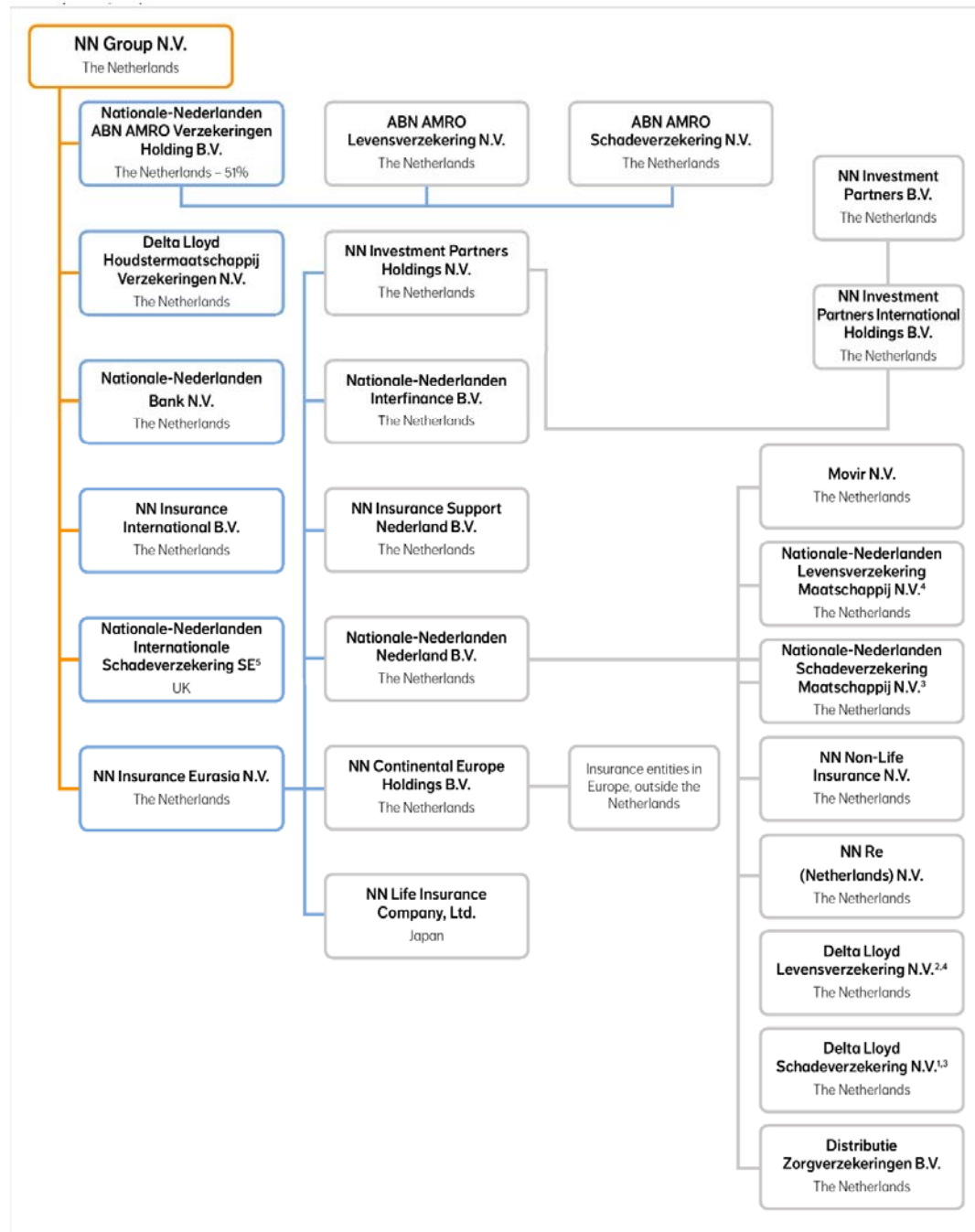
For information on any significant business events or other events that have occurred over the reporting period reference is made to the Financial developments section in the 2018 Financial Report.

Reference is made to Note '31 Principal subsidiaries and geographical information' in the 2018 Consolidated annual accounts for a list of material related undertakings and a description of the legal structure of the group. Reference is made to the section 'Corporate governance' of the 2018 Financial Report for information on the governance and organisational structure of NN Group.

Business and performance continued

Simplified group structure

The simplified group structure as at 31 December 2018 is as follows:



1 As of 1 March 2018, Delta Lloyd Schadeverzekering N.V. was transferred to Nationale-Nederlanden Nederland B.V.

2 As of 1 April 2018, Delta Lloyd Levensverzekering N.V. was transferred to Nationale-Nederlanden Nederland B.V.

3 As of 1 January 2019, Delta Lloyd Schadeverzekering N.V. ceased to exist as a result of the legal merger with Nationale-Nederlanden Schadeverzekering Maatschappij N.V.

4 As of 1 January 2019, Delta Lloyd Levensverzekering N.V. ceased to exist as a result of the legal merger with Nationale-Nederlanden Levensverzekering Maatschappij N.V.

5 On 16 November 2018 NN Group agreed on the sale of Nationale-Nederlanden Internationale Schadeverzekering SE.

Reference is made to QRT S.32.01.22 'Undertakings in scope of the group' in the Appendix for more details on the undertakings in the scope of the group.

Business and performance continued

Material differences between the scope of the group used for the consolidated financial statements and the scope for the consolidated data in Solvency II

Basis of consolidation for financial (IFRS) reporting

NN Group comprises NN Group N.V. and all its subsidiaries. The Consolidated annual accounts of NN Group comprise the accounts of NN Group N.V. and all entities over which NN Group has control. NN Group has control over an entity when NN Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The assessment of control is based on the substance of the relationship between NN Group and the entity and considers existing and potential voting rights that are substantive. For a right to be substantive, the holder must have the practical ability to exercise that right.

For interests in investment entities, the existence of control is determined taking into account both NN Group's financial interests for own risk and its role as asset manager. Financial interests for risk of policyholders are not taken into account when the policyholders decide on the investment allocations of their insurance policies (i.e. the policyholder has the 'power') and assume all risks and benefits of these investments (i.e. the policyholder assumes the variable returns).

The results of the operations and the net assets of subsidiaries are included in the profit and loss account and the balance sheet from the date control is obtained until the date control is lost. Minority interests are initially measured at their proportionate share of the subsidiaries' identifiable net assets at the date of acquisition. On disposal, the difference between the sales proceeds, net of directly attributable transaction costs, and the net assets is included in net result.

A subsidiary which NN Group has agreed to sell but is still legally owned by NN Group may still be controlled by NN Group at the balance sheet date and, therefore, still be included in the consolidation. Such a subsidiary may be presented as held for sale if certain conditions are met.

All intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Where necessary, the accounting policies used by subsidiaries are changed to ensure consistency with NN Group policies. In general, the reporting dates of subsidiaries are the same as the reporting date of NN Group N.V.

A list of principal subsidiaries is included in Note 31 'Principal subsidiaries and geographical information'.

NN Group owns 51% of the shares of Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. (Nationale-Nederlanden ABN AMRO Verzekeringen). Nationale-Nederlanden ABN AMRO Verzekeringen is fully consolidated by NN Group, with a minority interest recognised of 49%. At 31 December 2018, the minority interest relating to Nationale-Nederlanden ABN AMRO Verzekeringen recognised in equity was EUR 222 million (2017: EUR 302 million) (further reference is made to chapter E and Note 12 'Equity' in the 2018 Consolidated annual accounts).

Basis of consolidation for Solvency II reporting

For Solvency II reporting, NN Group makes a distinction in the treatment of the following groups of entities:

- Solvency II entities: These are all life, non-life and reinsurance entities and their direct insurance participations that are located within the European Economic Area ('EEA'). These entities are subject to the Solvency II legislation for both Solo and Group reporting. The accounting and consolidation-based method, similar to the IFRS consolidation method, is used to consolidate Solvency II entities over which NN Group has control. Solvency II entities are consolidated line-by-line in the Solvency II balance sheet whereas intra-group transactions between Solvency II entities have been eliminated.
- Non-Solvency II entities are entities controlled by NN Group that are other financial sector entities or are (re)insurance entities outside the EEA. These entities are not consolidated in the Solvency II balance sheet, but recognised as participations in the Solvency II Balance Sheet of NN Group. Intercompany transactions with Non-Solvency II entities are not eliminated. Their participation value and their contribution to the Group capital requirement are based on local sectoral rules. NN Group recognises the following types of non-Solvency II entities:
 - Other financial sector entities, including Institutions for Occupational Retirement Provision: pension funds in Central Europe, NN Investment Partners and NN Bank. NN Group is designated by DNB as a mixed financial holding company, also known as a Financial Conglomerate. Therefore, NN Bank is only taken into account as an associate in the Solvency II balance sheet and excluded from NN Group's Own Funds and SCR.
 - Non-EEA insurance entities on equivalence basis: NN Group makes use of the deduction and aggregation ('D&A') method for NN Life Japan, following the granting of provisional equivalence of Japan by the European Commission.

Nationale-Nederlanden ABN AMRO Verzekeringen, which is 51% owned by NN Group, is fully consolidated in the Solvency II balance sheet and 100% included in both Basic Own Funds and the SCR. The 49% minority interest in the excess of Own Funds over the SCR is excluded from the Eligible Own Funds of NN Group as required by the Delegated Regulation (EU) 2015/35/article 330 (4) and Guideline 14 'Treatment of minority interests for covering the group solvency capital requirement'.

Main difference in consolidation basis for Solvency II and IFRS reporting

For Solvency II reporting, non-Solvency II entities are not consolidated line-by-line while they are for IFRS reporting.

Business and performance continued

Relevant operations and transactions within the group

In the normal course of business, NN Group entities enter into various transactions with entities within the consolidated Group. These are described in chapter B.7 'Outsourcing'. In addition to the regular funding of the subsidiaries of NN Group, the central cash pooling activities for the Dutch subsidiaries by NN Group and the intra-group outsourcing arrangements, various intra-group transactions occurred in 2018 in the normal course of business. These include mainly:

- NN Leven and NN Interfinance have entered into a EUR 1,000 million loan agreement for the purpose of liquidity risk management. As per year-end 2018 NN Leven has borrowed EUR 500 million using this loan agreement
- Transfer of Mortgages between NN Bank and NN Life Belgium for an amount of EUR 200 million
- Transfer of Mortgages between NN Bank and NN Non-Life for an amount of EUR 86 million

A.2 Underwriting Performance (see A3 below)

A.3 Investment Performance

NN Group's operating result is analysed through a margin analysis, which includes the investment margin (investment performance), fees and premium-based revenues and the technical margin (underwriting performance). For information on underwriting and investment performance per material line of business, reference is made to the Financial developments section in the 2018 Financial Report and Note 30 'Segments' in the 2018 Consolidated annual accounts of NN Group. For the underwriting performance of entities in scope of Solvency II, reference is made to QRT S.05.01.02 'Premiums, claims and expenses by line of business' and QRT S.05.02.01 'Premiums, claims and expenses by country' in the Appendix.

Further reference is made to Note 21 'Investment income' in the 2018 Consolidated annual accounts of NN Group for information on income and expenses arising from investments by asset class and the components of such income and expenses.

Gains and losses on investments recognised directly in equity are disclosed in Note 12 'Equity' - revaluation reserve and in the Consolidated statement of comprehensive income in the 2018 Consolidated annual accounts of NN Group.

Information on investment in securitisations is included in Note 44 'Structured entities' in the 2018 Consolidated annual accounts of NN Group. Most of the investments in securitisations issued by third parties relate to debt instruments of structured entities regarding asset-backed securities, classified as loans. Further reference is made to Note 4 'Available-for-sale investments' in the 2018 Consolidated annual accounts of NN Group for more information on these investments in structured entities.

A.4 Performance of other activities

Other material income and expenses incurred over 2018 are disclosed in notes 20-28 and the Financial developments section in the 2018 Financial Report of NN Group. Leasing arrangements are included in Note 28 'Other operating expenses' and future rental commitments are disclosed in Note 41 'Contingent liabilities and commitments' in the 2018 Consolidated annual accounts.

A.5 Any other information

Reference is made to the Financial developments section in the 2018 Financial Report of NN Group for any other material information regarding the business and performance of NN Group.

System of governance

B. System of governance

Introduction

This chapter of the SFCR contains information on the system of the governance of NN Group in addition to governance information included in the NN Group 2018 Financial Report. The additional information includes relevant committees of the Executive Board, a description of the main roles and responsibilities of the key functions and NN Group’s approach to the ‘fit and proper’ requirements and Own Risk and Solvency Assessment.

B.1 General information on the system of governance

This chapter describes the structure of the committees, and explains the responsibilities, members and interdependencies of each committee. In September 2018, the NN Group Management Board established the NN Group Asset & Liability Committee which was approved by the NN Group Supervisory Board in November 2018. This chapter also sets out the governance and control framework effective in 2018.

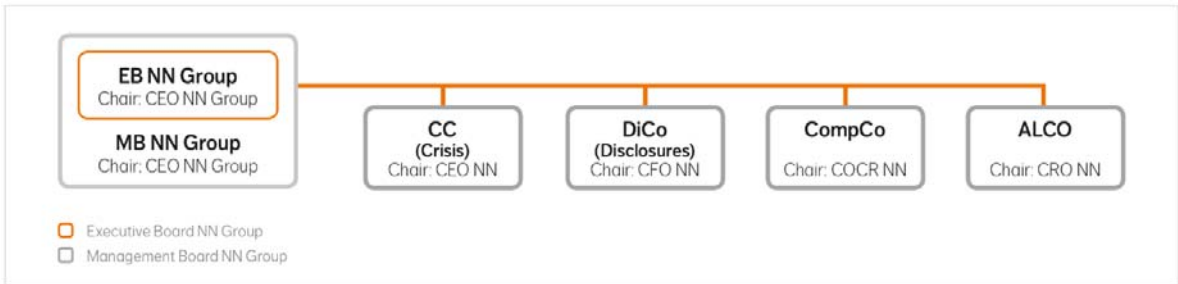
Structure of governance and changes in system of governance

For a description of the structure of NN Group’s administrative, management and supervisory body, reference is made to the Corporate Governance section and the Report of the Supervisory Board, both included in the NN Group 2018 Financial Report and to the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm>. These sources also describe the main roles and responsibilities of these bodies, provide a brief description of the segregation of responsibilities within these bodies and describe their relevant committees.

EB committees

The Executive Board (‘EB’) of NN Group has entrusted the Management Board (‘MB’) of NN Group with the day-to-day management of NN Group and the overall strategic direction of NN Group. The Executive Board has established four committees: Crisis, Disclosure, Compensation and Asset and Liability Committee.

The respective charters of each committee explain the responsibilities, memberships(s) and interdependencies of each committee.



Crisis Committee

The main scope and responsibility of the Crisis Committee (‘CC’) is handling financial and non-financial crisis situations as defined by the MB of NN Group. The Crisis Committee meets on an ad-hoc basis, but at least twice per year, face-to-face. The Crisis Committee is chaired by the Chief Executive Officer (‘CEO’) of NN Group.

Disclosure Committee

The Disclosure Committee’s (‘DiCo’) responsibility is to advise the EB on regular disclosures. Regular disclosures relate to the publication of NN Group’s quarterly and annual financial results. The Disclosure Committee meets at least quarterly, before the publication of the quarterly and annual results of NN Group. The Disclosure Committee can also be convened on an ad-hoc basis in order to decide on (publication of) price sensitive information. The Disclosure Committee is chaired by the Chief Financial Officer (‘CFO’) of NN Group.

Compensation Committee

The Compensation Committee (‘CompCo’) is responsible for reviewing and pre-approving remuneration proposals for identified staff and high earners as defined in the NN Group Remuneration Framework, reviewing and approving remuneration proposals in the annual pay review for individuals who are a direct report of a Business Unit CEO or Management Board member. The CompCo is also responsible for setting, monitoring and reviewing the total spend on discretionary variable remuneration within NN Group and reviewing the design and operation of the Remuneration Framework. The Compensation Committee is chaired by the Chief Organisation & Corporate Relations (‘COCR’) of NN Group.

Asset and Liability Committee

The NN Group Asset and Liability Committee (‘ALCO’) oversees the activities and market risks related to investments and the matching of assets and liabilities at NN Group level. The NN Group ALCO has decision making authorities that are delegated from the NN Group Management Board. Further, the NN Group ALCO is responsible for approving decisions taken by the local ALCO and/or management board. The local ALCO and/or -management board remain responsible for these decisions. For this reason the NN Group ALCO can only approve or decline proposals and request amendments. The local ALCO and/or -management boards are required to inform the NN Group ALCO about any deviations from the requested amendments including a justification of their decision. The Asset and Liability Committee is chaired by the Chief Risk Officer (‘CRO’) of NN Group.

System of governance continued

Roles and responsibilities of key functions

NN Group has organised the Solvency II key functions in accordance with the applicable Solvency II regulations. All Solvency II key function holders within NN Group have passed the DNB's fit and proper test. All the Solvency II key functions are able to carry out their duties objectively and free from undue influence, and do not simultaneously perform conflicting activities. They all have been given an appropriate standing in the organisation and can report relevant findings directly to the relevant Board(s).

Risk Function

The Risk Function is a Solvency II key function within NN Group.

Role

The Chief Risk Officer of NN Group is the Head of the Risk Function and is entrusted with the day-to-day responsibility for NN Group's risk management function. The CRO steers an independent risk organisation which supports the first line in their decision making, but which also has sufficient countervailing power to prevent excessive risks. The CRO must ensure that both the Management Board and the Supervisory Board are at all times informed of and understand the material risks to which NN Group is exposed.

Responsibilities

Within the Management Board, the CRO is responsible for:

- Setting and monitoring compliance with NN Group's overall risk policies
- Formulating NN Group's risk management strategy and ensuring that it is implemented throughout the NN Group
- Supervising the operation of NN Group's risk management and business control systems
- Reporting NN Group's risks, as well as the processes and internal business controls
- Making risk management decisions with regard to matters which may have an impact on the financial results of NN Group or its reputation, without limiting the responsibility of each individual member of the Management Board in relation to risk management.

Compliance Function

The Compliance Function is a Solvency II key function within NN Group.

Role

To effectively manage business conduct risk, NN Group has a Compliance Function which is headed by a Chief Compliance Officer with delegated responsibility for day-to-day management of the Compliance Function. The Chief Compliance Officer reports to the General Counsel & Head of Compliance, the Member of the Management Board responsible for the Legal Function and the Compliance Function. The Compliance Function is positioned independently from the business it supervises. This independent position is, amongst others, warranted by independent reporting, unrestricted access to senior management as well as structural, periodic meetings of the Chief Compliance Officer with the CEO and the Chairman of the Risk Committee of the Supervisory Board.

Responsibilities

Within NN Group's broader risk framework, the purpose of the Compliance Function is to:

- Understand and advocate the integrity related rules, regulations and laws for the effective management of Business conduct risk; proactively work with and advise the business to manage Business conduct risk throughout our products' life cycle and our business' activities to meet stakeholder expectations
- Develop and enhance the Compliance Framework to strengthen the three lines of defence to detect, communicate, manage and to report on Business conduct risks
- Support NN Group's strategy by establishing clear roles and responsibilities to help embed good compliance practice throughout the business by using a risk-based approach to align business outcomes with NN Group's risk appetite
- Deepen the culture of compliance by partnering with the business to increase the culture of trust, accountability, transparency and integrity in evaluating, managing and reporting on Business conduct risk

At business unit level, management establishes and maintains a Compliance Function and appoints a Local Compliance Officer ('LCO'). The LCO hierarchically reports to the CEO, to the business unit Head of Legal or to the CRO.

The LCOs have a functional reporting line to the Chief Compliance Officer. If business unit management decides it can meet and manage its compliance obligations without a dedicated full-time or onsite LCO, management must first obtain a waiver from the General Counsel & Head of Compliance.

Internal Audit Function

The Corporate Audit Services NN Group ('CAS') is also a Solvency II key function within NN Group. For a description of this function, its role and responsibilities, and implementation in the NN Group structure, reference is made to section B.5.

Actuarial Function

The Actuarial Function is also a Solvency II key function within NN Group. For a description of this function, its role and responsibilities, and implementation in the NN Group structure, reference is made to section B.6.

System of governance continued

Remuneration

NN Group has an overall remuneration policy, described in the NN Group Remuneration Framework, which provides for reward guidelines and principles for all country and business unit remuneration policies within NN Group. NN Group aims to apply a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff and other highly qualified employees. Reference is made to the Remuneration report as part of the 2018 Financial Report and Note 26 'Staff expenses' as disclosed in the 2018 Consolidated annual accounts of NN Group for information on the remuneration policy and practices regarding administrative, management and supervisory bodies and employees. Other information on remuneration is disclosed on NN Group's website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Remuneration.htm>.

Transactions with related parties

Reference is made to Note 45 'Related parties' and Note 46 'Key management personnel compensation' in the 2018 Consolidated annual accounts of NN Group for information about material transactions during the reporting period. Section B.7 in this SFCR contains more information on intra-group outsourcing arrangements. Transactions with people who exercise a significant influence on NN Group and with members of the Management Board, Executive Board and Supervisory Board are disclosed in Note 46 'Key management personnel compensation' in the 2018 Consolidated annual accounts of NN Group.

Adequacy of system of governance

The assessment of the adequacy of the system of governance of NN Group to the nature, scale and complexity of the risks inherent in its business is disclosed in Note 50 'Risk management' of the 2018 Consolidated annual accounts.

Consistent use of risk management, internal control systems and reporting procedures

Reference is made to Note 50 'Risk management' in the 2018 Consolidated annual accounts of NN Group for a description of how the risk management and internal control systems and reporting procedures are implemented consistently throughout the Group.

Own risk and solvency assessment at group and entity level

NN Group did not make use of the option provided for in the third subparagraph of Article 246(4) of Directive 2009/138/EC to conduct the own risk and solvency assessments at the level of the group and at the level of any subsidiary in the group simultaneously. The assessment is done for each regulated insurance entity separately and for NN Group as a whole.

B.2 Fit and proper requirements

For a description of NN Group's specific requirements concerning skills, knowledge and expertise applicable to the people who manage NN Group, reference is made to the Profile of the Executive Board and Management Board, included in Annex 2 to both the Charter of the Executive Board of NN Group, and the Charter of the Management Board of NN Group, which charters are available on the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm>.

As stated in article 1.3(f) of the Charter of the Nomination and Corporate Governance Committee of the Supervisory Board of NN Group, this Committee shall at least annually review, assess and report its findings to and recommend any actions to be taken by the Supervisory Board regarding the Profile of the Executive Board and Management Board.

Requirements concerning skills, knowledge and expertise applicable to people who have other key functions, are included in the respective job profiles.

Various NN Group policies and charters include provisions aiming to ensure that the people who effectively manage NN Group and the people fulfilling key functions are fit and proper. During recruitment all candidates must have the professional qualifications, knowledge and experience that are required for sound and prudent management ('fit') and be of good reputation and have integrity ('proper'). In an early stage of the hiring process and preferably at the time a position has become vacant, an approval request is put forward to the external regulator (DNB or AFM).

For a description of NN Group's process for assessing the fit and proper quality of the people who effectively run NN Group, reference is made to article 1.4 (nn)(vii) and 2.5 of the Charter of the Supervisory Board, which is available on the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm>. As in previous years, permanent education sessions were organised for the Executive Board, the Management Board and the Supervisory Board.

All people holding key functions are assessed against their performance objectives, leadership behaviours and any other requirements from their job profiles during the annual performance cycle and specifically during the year-end appraisal.

Furthermore, the Supervisory Board, assisted by its Audit Committee, supervises the functioning and performance of CAS and its General Manager.

System of governance continued

B.3 Risk management system including the own risk and solvency assessment

Description of NN Group's risk management system

Reference is made to the paragraph 'Risk management and control systems' in the Corporate Governance section of the Financial Report. In addition, reference is made to Note 50 'Risk management' in the 2018 Consolidated annual accounts of NN Group for a description of the risk management system, which comprises of strategies, processes and reporting procedures, and how NN Group is able to effectively identify, assess, monitor, manage and report, on a continuous basis, the risks to which NN Group is or could be exposed on an individual and aggregated level. In the same note, a description is included on how the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of NN Group.

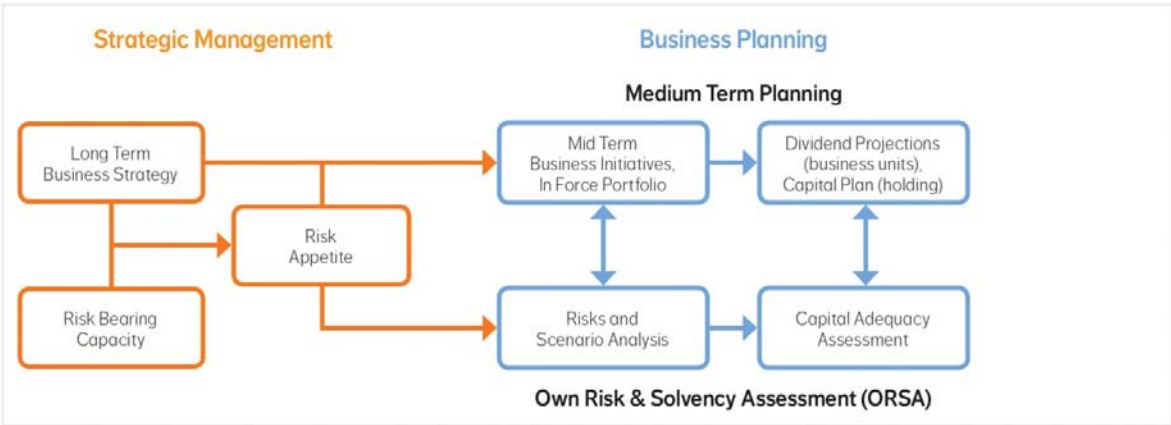
Own Risk and Solvency Assessment

Business strategy and objectives, key risk appetite statements, risk and capital management are aligned in the Own Risk and Solvency Assessment ('ORSA') in synchronisation with the yearly medium-term business plan. The ORSA report supports the Management Board in assessing the overall risk and capital profile of the business under a wide range of scenarios.

The ORSA is defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long-term risks a (re)insurance legal entity faces or may face and to determine the own funds necessary to ensure that the entity's overall solvency needs are met at all times. In particular, the ORSA:

- Is a specific instrument within NN Group's risk management system: it is a high level forward looking analysis on capital adequacy under a wide range of scenarios based on the current and emerging risk profile of an entity, given its strategy and risk appetite
- Does not serve to calculate the capital requirement, although capital add-ons can be considered as a result of the ORSA
- Is an integral part of business planning

As such, the ORSA is linked to the strategic management process and related decision-making framework as illustrated below:



Regular frequency

NN Group (and each of its regulated insurance subsidiaries) prepares an ORSA at least once a year. In the ORSA, NN Group articulates its strategy and risk appetite; describes its key risks and how they are managed; analyses whether or not its risks and capital are appropriately modelled; and evaluates how susceptible the capital position is to shocks through stress testing and scenario testing. Stress testing examines the effect of exceptional but plausible scenarios on the capital position of NN Group. Stress testing can also be initiated outside the ORSA, either internally or by external parties such as DNB and the European Insurance and Occupational Pensions Authority ('EIOPA').

Similar as with the insurance entities, NN Group's banking and investment management operations run annually an internal capital adequacy assessment process ('ICAAP') in conformity with Basel III requirements. ICAAP tests whether current capital positions are adequate for the financial risks that the relevant NN Group entities bear.

Monitoring between regular ORSAs: possible ad-hoc ORSA

To the extent necessary, outcomes of the ORSA are translated in ad-hoc ORSA triggers (i.e. events that lead to a significant shock in the risk profile and/or capital position), risk metrics and management actions for identified material risks. Monitoring of ad-hoc ORSA triggers and risk metrics is performed as part of the regular Finance & Risk control cycle. Developments are documented in internal Finance & Risk reports and discussed during board and/or delegated committee meetings. CROs within NN Group are responsible for identifying the need of a(n) (partial) ad-hoc ORSA. NN Group will be informed as soon as possible when the decision for a(n) (partial) ad-hoc ORSA is made in a business unit. In such cases, the relevant national supervisory authority is also informed.

System of governance continued

The regular ORSA process as undertaken within NN Group

Strategy and risk appetite

A thorough re-assessment of strategy is usually done once every 3-5 years or when material developments in the external or internal environment give rise to an earlier re-assessment. Yearly assessments are made in the first half of the year whether to adjust the strategy for developments in the past year and/or revised assumptions on the future. Setting (and adjusting) the risk appetite is inextricably part of strategy setting (and adjusting).

Risk Assessment

Key to the ORSA is the identification of potentially solvency threatening risks for legal entities by management boards, given their strategy and risk appetite. Basis for this risk assessment is NN Group's risk taxonomy. Modelled risks are subject to an appropriateness test (see below) and additional statistical stress testing (see below), both contributing to adequate capitalisation of these risks. Focus is therefore on non-modelled risks.

Appropriateness test of regulatory capital calculation

The assumptions and models for calculating regulatory solvency requirements are assessed against the actual risk profile. Differences are analysed in terms of future model improvements and/or non-modelled risks. The outcome of the analysis may lead to mitigating actions to overcome model shortcomings. If the deviations or uncertainties are considered material, quantification of the deviation is necessary in order to consider a (temporary) self-imposed capital add-on.

Capital projections

The projection basis is consistent with the best estimate assumptions and parameters used for the Business Plan best estimate financial forecasts, among others the yearly updated Macro Economic Scenario.

The Actuarial Function is to confirm that the base-case and projected technical provisions represent a true and fair view of future liabilities. The Actuarial Function also provides input concerning the risks arising from the calculation of technical provisions.

Regulatory solvency is at the heart of the ORSA: NN Group must ensure that it is able to meet regulatory required solvency ratios of all (re)insurance companies and NN Group consolidated at all times. In addition, NN Group and relevant subsidiaries assess:

- The quantity and quality of Own Funds over the Business Plan period
- The composition of Own Funds across tiers and how this composition may change as a result of redemption, repayment and maturity dates during the Business Plan period

As - in principle - only NN Group raises capital in the financial markets, the group ORSA is to:

- Identify internal and external sources of capital if additional new capital is necessary
- Assess availability, transferability and fungibility of capital within the group, including businesses in non-EEA countries
- Reference any planned material transfer of capital within the group and its consequences
- Determine the capital plan for funding the capital needed by the subsidiaries

Stress testing and overall assessment of capital adequacy

Based on the Business Plan and the outcomes of the risk assessment, (reverse) stress scenarios and their parameters are developed and documented. The Management Board is responsible for identifying the key uncertainties and the related scenarios.

Scenario testing, as well as (reverse) stress testing are required for each ORSA. At the same time, the group ORSA will assess any local stress scenario that may significantly impacts NN Group's capital position and perform statistical stress tests (based on 1-in-20 shocks) on modelled risks. When the outcomes of performed stress tests show solvency ratios dropping below 100%, realistic strategies for recovering solvency ratios will be considered and documented in the ORSA report. For Business Units, a capital downstream can only be considered if there is no other feasible management option left.

Ultimately, after all assessments and considerations (including formulated management actions) the ORSA is to conclude whether, going forward, the entity concerned is adequately capitalised under a wide range of scenarios over the planning horizon.

Governance of NN Group's Partial Internal Model

The responsible departments and committees for NN Group's Partial Internal Model and how they interact with the Executive and Supervisory Board are disclosed in the Corporate Governance section of the 2018 Financial report and in section B.1 'General information on the system of governance' above.

System of governance continued

Model Validation

NN Group's model governance and Model Validation Department seeks to ensure that NN Group's models are fit for their intended purpose. Models and their disclosed metrics are approved by the Model Committee. The findings of the Model Validation Department are also reported to the Model Committee, via regular validations. This committee is responsible for modelling policies, processes, methodologies and parameters which are applied within NN Group. Furthermore, the Model Validation Department carries out validations of risk and valuation models particularly those related to Solvency II. Any changes to models that affect NN Group risk figures above a certain materiality threshold are presented to the Model Committee.

Model validation is not a one-off assessment of a model, but an ongoing process whereby the reliability of the model is verified at different stages during its lifecycle: at initiation, before approval, when the model has been redeveloped or modified and on a regular basis discussed and agreed with Model Development. It is not a mere verification of the mathematics or statistics of the model, but encompasses both a quantitative and qualitative assessment of the model. Accordingly, the validation process covers a mix of developmental evidence assessment, process verification and outcome analysis.

The validation cycle is based on a five-year period. This means that at least once every five years a model in scope will be independently validated. In general, the validation frequency relates to the relative materiality of the models in scope. In addition, reference is also made for more detail to Note 50 'Risk management' in the 2018 Consolidated annual accounts of NN Group.

Changes in the governance of NN Group's Partial Internal Model

On 5 December 2018, NN Group announced that it received approval from DNB to expand its Partial Internal Model under Solvency II to include the Delta Lloyd Life and Non-life entity in the Netherlands. The expanded approved Partial Internal Model is used to calculate regulatory capital requirements effective as at 31 December 2018.

B.4 The Internal control system and Compliance Function

Reference is made to Note 50 'Risk management' of the 2018 Consolidated annual accounts of NN Group for a description of the implementation of the Internal control system and Compliance Function.

B.5 Internal Audit Function

Corporate Audit Services NN Group (CAS), the internal audit department of NN Group, is an independent assurance function. Its responsibilities, established by the Executive Board of NN Group N.V., are pre-discussed with the Audit Committee and approved by the Supervisory Board of NN Group N.V. The Dutch Financial Supervision Act ('Wet op het financieel toezicht'), Dutch Corporate Governance Code and Solvency II require NN Group to have an internal audit department which independently assesses the effectiveness of the design of the governance and the quality of procedures and control measures. CAS is responsible for executing the Internal Audit Function of an NN entity provided NN has 100% ownership, has a majority stake and management control or has no majority stake but effectively has management control. The area of work (audit universe) is defined as every activity, department and office of NN Group, including branches, subsidiaries as well as outsourced activities (with a 'right-to-audit' clause). CAS is an essential part of the corporate governance structure of NN Group.

CAS keeps close contact with home country and local supervisors and regulators as well as with the external auditor via regular meetings in which current (audit) issues are discussed as well as internal and external developments and their impact on NN Group and CAS. CAS also exchanges information such as risk assessments and relevant (audit) reports.

The General Manager and staff of CAS are authorised to:

- Obtain, without delay, from General Managers within NN Group, any significant incident concerning NN Group's operations including but not limited to security, reputation and/or compliance with regulations and procedures
- Obtain, without delay, from responsible managers within NN Group, a copy of all letters and reports received from external review agencies (e.g. external auditor, supervisors, regulators and other agencies providing assurance related services)
- Free, full, unrestricted and unfettered access at any time deemed appropriate to all NN Group departments, offices, activities, books, accounts, records, files, information. CAS must respect the confidentiality of (personal) information acquired
- Require all NN Group staff and business management to supply such information and explanations, as may be needed for the performance of assessments, within a reasonable period of time
- Allocate resources, set frequencies, select subjects, determine scope of work and apply appropriate techniques required to accomplish the CAS's objectives
- Obtain the necessary assistance of personnel in various departments/offices of NN Group where CAS performs audits, as well as other specialised/professional services where considered necessary from within or outside NN Group. CAS should exercise its authority with the minimum possible disruption to the day-to-day activities of the area being assessed

In compliance with the Dutch Corporate Governance Code, the Executive Board is responsible for the role and functioning of CAS, supervised by the Supervisory Board, supported by the Audit Committee. The General Manager of CAS is accountable to the CEO and functionally to the chair of the Audit Committee. On a day-to-day basis the General Manager of CAS reports to the CEO.

CAS performs its work in accordance with the International Standards for the Professional Practice of Internal Auditing Standards and Code of Ethics set by the Institute of Internal Auditors (IIA), and with other relevant authorities or professional associations (e.g. NBA, NOREA). These professional standards are incorporated in the CAS Audit Manual. Compliance to the audit manual is embedded at various levels in the audit process and includes review by the independent positioned Professional Practices Management team within NN Group CAS. On a periodic basis CAS globally is subject to an independent external assessment.

System of governance continued

B.6 Actuarial Function

The mission of the Actuarial Function is to reduce the risk of unreliable and inadequate technical provisions with regard to both Solvency II and IFRS reporting. This contributes to an enhanced perception by clients, regulators and investors alike of the financial solidity of NN Group.

The Actuarial Function operates within the context of NN Group's broader risk management system. Within this system, the role of the Actuarial Function is to:

- Understand and advocate the rules, regulations and laws for effective management of the calculation process of technical provisions, underwriting and reinsurance arrangements; proactively advise the business to manage the risk of unreliable and inadequate technical provisions
- Develop and enhance tools to strengthen the three lines of defence to detect, communicate, manage and to report on risks related to unreliable or inadequate technical provisions
- Support NN Group's strategy by establishing clear roles and responsibilities to help embed good (actuarial) practices throughout the organisation by using a risk-based approach to align insights with NN Group's risk appetite
- Strengthen the culture of professional risk management by challenging management and experts to increase the culture of trust, accountability, transparency and integrity in evaluating, managing and reporting on risks to unreliable or inadequate technical provisions

Reference is made to Note 50 'Risk management' of the 2018 Consolidated annual accounts of NN Group for a description of the Actuarial Function.

B.7 Outsourcing

External Outsourcing arrangements

NN Group has outsourced part of its IT processes to external service providers. There are no significant provisions recognised for doubtful debts or individually significant bad debt expenses on outstanding balances with these providers.

For these external outsourcing arrangements written service level agreements are in place, setting out:

- The mutual rights and obligations of the parties
- The duties and responsibilities of all parties involved
- The Service Provider's commitment to comply with applicable local laws and regulatory requirements, applicable to the outsourced function or activity and to cooperate with the Outsourcing Entity's relevant supervisory authority with regard to the outsourced function or activity
- The Service Provider's obligation to disclose any development which may have a material impact on its ability to carry out the outsourced functions and activities effectively and in compliance with applicable laws and regulatory requirements
- That the Service Provider and the Outsourcing Entity can only terminate the contract with a notice period
- That the Outsourcing Entity is able to terminate the arrangement for outsourcing where necessary without detriment to the continuity and quality of its provision of services to the policyholder and other clients
- That the Outsourcing Entity reserves the right to be informed about the outsourced functions and activities and their performance by the Service Provider as well as a right to issue general guidelines and individual instructions at the address of the Service Provider, as to what has to be taken into account when performing the outsourced functions or activities

Intra-group Outsourcing arrangements

In the normal course of business, NN Group entities enter into various transactions with entities within the consolidated Group. Transactions with entities within the consolidated Group take place on an arm's length basis and include distribution agreements, human resources-related arrangements and rendering and receiving of services. There are no significant provisions recognised for doubtful debts or individually significant bad debt expenses on outstanding balances within the Group.

System of governance continued

All intra-group transactions are conducted under market-consistent conditions. Intra-group transactions included:

- Facility services carried out by group companies for insurance and other entities
- Various other shared services, including finance and information technology, carried out by group companies for insurance and other entities
- Staff of the insurance entities within NN Group in the Netherlands is employed by NN Insurance Personeel B.V. The Dutch insurance entities are charged for their staff expenses by NN Insurance Personeel B.V. under a service level agreement. Although these costs are not paid out in the form of salaries, they do have the character of staff expenses and they are therefore recognised as such. A staff provision for holiday entitlement and bonuses is recognised at NN Insurance Personeel B.V. Actual spending is charged to the Dutch insurance entities as per the contract with NN Insurance Personeel B.V.
- Transactions between NN Group and its Dutch subsidiaries concerning the payment of tax, as NN Group heads the fiscal unity in the Netherlands
- NN Re (Netherlands) N.V. carries out reinsurance activities of NN Non-life, NN Life and certain other NN Group entities (included Delta Lloyd entities)
- The transactions in financial instruments, such as shares, bonds, loans (excluding mortgage loans) and derivatives, are conducted via a management agreement with NN Investment Partners Holding B.V. NN Investment Partners B.V. makes use of Nationale-Nederlanden Interfinance B.V. for the execution of the transactions involving certain derivatives
- Zicht B.V. acts as an authorised agent for NN Non-life
- NN Bank is the servicing and originating partner for mortgage loans held by other group companies within the Netherlands

For material intra-group outsourcing arrangements, a written service level agreement is in place, similar to the one used for external service providers.

B.8 Any other information

Reference is made to the Corporate Governance section and the Report of the Supervisory Board, both included in the NN Group 2018 Financial Report and the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm> for other information regarding the system of governance of NN Group.

Risk profile

C. Risk profile

Introduction

This chapter of the SFCR contains information on the risk profile of NN Group and information on the 'prudent person principle' used when investing.

Risk profile per risk category

Reference is made to Note 50 'Risk management' in the 2018 Consolidated annual accounts for quantitative and qualitative information on the risk profile per risk category. The following risk categories have been disclosed:

C.1 Non-market risk (Underwriting risk)

Non-Market risk is disclosed as insurance risk and business risk for the business units applying Internal Model and life risk, health risk and non-life risk for the business units applying Standard Formula in Note 50 'Risk management' in the 2018 Consolidated annual accounts.

C.2 Market risk

Market risk is disclosed in Note 50 'Risk management' in the 2018 Consolidated annual accounts.

C.3 Counterparty risk (Credit risk)

Counterparty Default risk is disclosed in Note 50 'Risk management' in the 2018 Consolidated annual accounts.

C.4 Liquidity risk

NN Group identifies two related liquidity risks: funding liquidity risks and market liquidity risks. These risks are disclosed in Note 50 'Risk management' in the 2018 Consolidated annual accounts.

C.5 Operational risk

For operational risk NN Group has developed a framework governing the process of identifying, assessing, mitigating, monitoring and reporting operational risks. Operational risk is disclosed in Note 50 'Risk management' in the 2018 Consolidated annual accounts.

C.6 Other material risks

Business conduct risk

Business conduct risk is the risk related to unethical or irresponsible corporate behaviour, inappropriate employee behaviour and customer suitability of products. For more details reference is made to Note 50 'Risk management' in the 2018 Consolidated annual accounts.

Concentration risks

NN Group does not have an appetite for risk concentration and manages concentration risk with a limit structure. During the year the limit structure was updated to reflect the larger balance sheet after the acquisition of Delta Lloyd. More information on the mitigation of several types of concentration risk is included in Note 50 'Risk Management' in the 2018 Consolidated annual accounts.

Investing assets in accordance with the 'Prudent person principle'

Acceptable investments

NN Group complies with the prudent person principles as set out in Directive 2009/138/EC/article 132: Prudent person principle. NN Group maintains a Global Asset List, which contains all asset classes in which NN Group and its subsidiaries are allowed to invest. Before an asset class is approved for this list, a specific assessment, called 'New Asset Class Assessment' ('NACA') must be followed.

The NACA should describe all relevant considerations on return, risk and operational consequences that are relevant to the decision whether a Business Unit of NN Group should invest in the proposed investment class.

The NACA request does not describe a specific transaction, but is a proposal for the potential investment in an investment class. The NACA should nevertheless address the quantitative impact of potential future investments and include proposed portfolio limits for the product. This should always be in line with NN Group internal policies as well as external constraints (such as regulatory limits).

Governance of investments

Within the Three Lines-of-Defence model, investments are managed in the first line through a dedicated Central Investment Office, reporting directly to the CEO of NN Group, in cooperation with the business units. The second line function is performed by Group Financial Risk Management, which reports to the CRO of NN Group and local risk teams. Operational activities regarding investments are performed by NN Group's business unit NN Investment Partners or third parties, which also provide advice on proposed or current investments.

Risk profile continued

All investments related activities are performed within the boundaries as set by NN Group. These include among others the following:

- Asset Class Standard (NACA)
- Investment Management Policy
- Concentration Risk Standard
- ALM policy
- Interest Rate Risk Management Standard
- Liquidity Risk Reporting Standard
- Financial Regulations Standard
- Responsible Investment framework policy
- Investment Mandate Standard

Chief Investment Officer

Based on market views, local Business Unit requirements and input from its assets managers, the Chief Investment Officer will:

- Propose Investment Strategies for NN Group as well as for the Business Units
- Prepare proposals for mandates and for delegated approval levels for the Asset Managers
- Prepare Performance Measurement Guidelines of all investment decisions taken under the delegated approval authorities

NN Investment Partners prepares a market view, proposes investment ideas based on market developments and Business Unit requirements and makes investment decisions within allocated limits/thresholds. NN Investment Partners executes the Performance Measurement Guidelines as prepared by the Chief Investment Officer.

Solvency II sensitivity analysis

Reference is made to Note 50 'Risk Management' in the 2018 Consolidated annual accounts of NN Group for the outcome of the NN Solvency II sensitivities analysis.

Other material risks

Reference is made to the 2018 Annual Review of NN Group for any other information on any other material risks.

Risk exposure from off-balance sheet positions and transfer of risk to special purpose vehicles

Reference is made to Note 50 'Risk management' in the 2018 Consolidated annual accounts regarding the risk exposure of NN Group, including the exposure arising from off-balance sheet positions and describing the measures used to assess these risks. Reference is made to the 2018 Annual Review ('Our Risk Profile') for the Material risks that that NN Group is exposed to.

As at 31 December 2018, no material risks were transferred to special purpose vehicles outside NN Group. For the risks transferred to consolidated special purpose vehicles, reference is made to Note 44 'Structured entities' in the 2018 Consolidated annual accounts.

C.7 Any other information relevant to the risk profile of NN Group

Techniques used for mitigation of risks

Reference is made to Note 50 'Risk management' of the 2018 Consolidated annual accounts of NN Group for a description of the techniques used for mitigating risks and the processes for monitoring the continued effectiveness of these risk mitigation techniques.

Valuation for Solvency purposes

D. Valuation for Solvency Purposes

Introduction

This chapter contains information on the valuation for solvency purposes of consolidated assets, insurance liabilities and other liabilities of NN Group and explains the differences with the valuations in the NN Group 2018 Consolidated annual accounts.

Reconciliation IFRS Balance sheet to Solvency II Balance sheet

As at 31 December 2018. In EUR million	IFRS	Consolidation scope	Valuation differences	Presentation differences	Solvency II
Assets					
Cash and cash equivalents	8,886	-3,340	0	-4,326	1,220
Financial assets at fair value through profit or loss and Available-for-sale investments ¹	140,377	-19,550	99	5,387	126,313
Loans	58,903	-18,460	687	874	42,004
Reinsurance contracts	1,010	-130	-68	2	814
Associates and joint ventures	5,000	3,777	-1,320	-193	7,264
Real estate investments	2,374	0	0	1	2,375
Property and equipment	151	-9	0	0	142
Intangible assets	863	-189	-674	0	0
Deferred acquisition costs	1,843	-1,076	-767	0	0
Deferred tax assets	131	-8	643	0	766
Other assets	4,708	-1,082	192	-1,789	2,029
Total assets	224,246	-40,067	-1,208	-44	182,927
Equity					
Shareholders' equity (parent)	22,850		-7,955	234	15,129
Minority interests	234			-234	0
Undated subordinated notes	1,764			-1,764	0
Total equity/ Excess of assets over liabilities	24,848	0	-7,955	-1,764	15,129
Liabilities					
Subordinated debt	2,445	-12	94	1,890	4,417
Debt securities issued	1,990	0	0	-1,990	0
Other borrowed funds	5,717	-5,468	27	6,088	6,364
Insurance and investment contracts	161,118	-17,480	7,316	-6	150,948
Customer deposits and other funds on deposit	14,729	-14,729	0	0	0
Non-trading derivatives	2,163	-208	0	17	1,972
Deferred tax liabilities	1,809	-592	-928	0	289
Other liabilities	9,427	-1,578	238	-4,279	3,808
Total liabilities	199,398	-40,067	6,747	1,720	167,798
Total equity and liabilities	224,246	-40,067	-1,208	-44	182,927

Reference is made to the 2018 Consolidated annual accounts of NN Group for more detailed information on the IFRS Balance sheet. Reference is made to QRT S.02.01.02 'Balance sheet' in the Appendix for the full Solvency II Balance sheet. The values in these tables may differ from those included in Note 50 'Risk Management' in the 2018 Consolidated annual accounts of NN Group due to classification and valuation differences to reflect a risk management view.

For Solvency II reporting, non-Solvency II entities (pension funds in Central Europe, NN Investment Partners, NN Bank and NN Life Japan) are not consolidated line-by-line while they are for IFRS reporting. Reference is made to section A1 'Business' for more information on the difference arising from the scope of consolidation. The impact from this difference is reflected above in the column 'Consolidation scope'. The most important differences arising from the scope of consolidation are caused by NN Bank and NN Life Japan.

The valuation and presentation differences between IFRS and Solvency II resulting from differences in accounting principles and methods are explained in the sections below. For items where no valuation difference occurred, reference is made to Note 1 'Accounting policies', Note 33 'Fair value of financial assets and liabilities' and Note 34 'Fair value of non-financial assets' in the 2018 Consolidated annual accounts of NN Group for a description of the bases, methods and main assumptions used for their valuation.

Details of valuation, presentation and consolidation differences are included in Section D.1-D.3 below.

Valuation for Solvency purposes continued

D.1 Assets

Accounting principles, methods and main assumptions used

In general, Solvency II valuation requires a market consistent approach to the valuation of assets and liabilities. The default reference framework for valuing assets and liabilities, other than technical provisions, is IFRS as endorsed by the European Union ('IFRS-EU'). The exception is if the IFRS valuation principle does not reflect a market consistent valuation (e.g. amortised cost). For main assumptions used in fair valuing assets, reference is made to Note 33 'Fair value of financial assets and liabilities' and to Note 34 'Fair value of non-financial assets' in the 2018 Consolidated annual accounts of NN Group.

Cash and cash equivalents

In the IFRS balance sheet, cash and cash equivalents are reported at the notional amount. In the Solvency II balance sheet, cash and cash equivalents are reported at market value. There are no significant valuation differences between IFRS and Solvency II for cash and cash equivalents as the market value is not significantly different from the notional value. Total presentation differences of EUR -4,326 million as at 31 December 2018 are caused by the presentation of short term deposits and money market funds as investments (excluding loans) in the Solvency II balance sheet. Differences due to a different scope of consolidation amounted to EUR -3,340 million as at 31 December 2018.

Investments (excluding loans)

In the IFRS balance sheet, investments are reported at fair value. In the Solvency II balance sheet, investments are reported at market value. There are no significant valuation differences between IFRS and Solvency II for investments as fair value generally equals market value. Presentation differences of EUR 5,387 million as at 31 December 2018 are caused by:

- Presentation of money market funds as investments under Solvency II, instead of their inclusion in cash and cash equivalents under IFRS
- Presentation of accrued interest as part of the investments, instead of a separate presentation as accrual under IFRS. Solvency II requires accrued interest to be presented as part of the investments ('dirty market value') and not separately as other assets as in the 2018 Consolidated annual accounts of NN Group ('clean market value')
- Presentation of certain Asset Backed Securities as investments under Solvency II, instead of their presentation as loans in the 2018 Consolidated annual accounts

Differences due to a different scope of consolidation amounted to EUR -19,550 million as at 31 December 2018.

Valuation of certain Asset Backed Securities as investments (excluding loans) under Solvency II, instead of their presentation as loans in the 2018 Consolidated annual accounts of NN Group amounted EUR 99 million as at 31 December 2018.

Loans

In the IFRS balance sheet, loans are reported at amortised cost. In the Solvency II balance sheet, loans are reported at market value. For loans that are repriced frequently and have had no significant changes in credit risk, the carrying values in the 2018 Consolidated annual accounts of NN Group represent a reasonable estimate of the market value for Solvency II. For other loans the market value is estimated by discounting expected future cash flows using a discount rate that reflects credit risk, liquidity and other current market conditions. The market value of mortgage loans is estimated by taking into account prepayment behaviour. Loans with similar characteristics are aggregated for calculation purposes.

Valuation differences between IFRS and Solvency II for loans represents the difference between amortised cost and market value of EUR 687 million as at 31 December 2018.

Presentation differences of EUR 874 million as at 31 December 2018 are caused by:

- The different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the loans ('dirty market value') and not separately as other assets as in the 2018 Consolidated annual accounts of NN Group ('clean market value')
- Presentation of short term deposits as investments under Solvency II, instead of their inclusion in cash and cash equivalents under IFRS
- The presentation of certain Asset Backed Securities as investments (excluding loans) under Solvency II, instead of their presentation as loans in the 2018 Consolidated annual accounts of NN Group

Differences in loans recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -18,460 million as at 31 December 2018.

Reinsurance contracts

Reference is made to section D2 'Technical provisions' of this SFCR.

Valuation for Solvency purposes continued

Associates and joint ventures (Holdings in related undertakings)

In the IFRS balance sheet, associates and joint ventures are reported at net asset value (equity accounting).

In the Solvency II balance sheet, non-Solvency II entities are recognised as associates and measured at the local regulatory capital in accordance with the local (sectoral) rules instead of consolidating all balance sheet items line-by-line. Differences in Associates and joint ventures recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR 3,777 million as at 31 December 2018 (IFRS values). Valuation differences of EUR -1,320 million as at 31 December 2018 represents the difference between the value of the consolidated line items under IFRS and the local regulatory capital of these entities. The presentation difference of EUR -193 million as at 31 December 2018 consists of receivables from associates that are presented as part of the other assets in the Solvency II balance sheet.

All holdings in related undertakings were either valued using quoted market prices in active markets or by using the adjusted equity method (when a quoted market price was not available).

Real estate investments

In the IFRS balance sheet, real estate investments are reported at fair value. In the Solvency II balance sheet, real estate investments are reported at market value. There are no significant valuation differences between IFRS and Solvency II for real estate investments as fair value generally equals market value. There are no differences in real estate investments due to a different scope of consolidation.

Property and equipment

In the IFRS balance sheet, property in own use is reported at fair value. In the Solvency II balance sheet, property in own use is reported at market value. There are no significant valuation differences between IFRS and Solvency II for property in own use as fair value generally equals market value. In the IFRS balance sheet, equipment is reported at cost less depreciation. In the Solvency II balance sheet, equipment is reported at market value. There are no significant valuation differences between IFRS and Solvency II for equipment, as market value is generally not significantly different from depreciated cost. Differences in property and equipment recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -9 million as at 31 December 2018.

Intangible assets

Goodwill and Value of Business Acquired ('VOBA') are not recognised for Solvency II purposes. Other intangibles including software can be recognised and measured at a value other than nil if they can be sold separately and if there is a quoted market price in an active market for the same or similar intangible assets. As there is no quoted market price for NN Group's other intangible assets, it is valued at nil for Solvency II purposes.

Deferred acquisition costs

Deferred Acquisition Costs are not recognised for Solvency II purposes.

Deferred taxes

Under IFRS, deferred tax assets are part of the other assets. In the IFRS balance sheet, deferred taxes, other than deferred tax assets arising from the carry forward of unused tax credits and the carry forward of unused tax losses, are valued on the basis of the difference between the tax bases of assets and liabilities and their carrying values. A positive value to deferred taxes is only attributed where it is probable that future taxable profit will be available against which the deferred tax asset can be used, taking into account any legal or regulatory requirements on the time limits relating to the carry forward of unused tax losses or credits.

Reference is made to Note 32 'Taxation' of the 2018 Consolidated annual accounts of NN Group for more information on the origin of the recognition of deferred tax assets and the amount and expiry date of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the IFRS balance sheet.

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS. Differences in deferred tax assets due to differences in valuation of the underlying assets and liabilities amounted to EUR 643 million as at 31 December 2018.

Other assets

In the IFRS balance sheet, other assets are reported at their notional amounts. In the Solvency II balance sheet, other assets (with the exclusion of deferred taxes) are reported at market value.

Presentation differences of EUR -1,789 million as at 31 December 2018 consist of the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest bearing investments ('dirty market value') and not separately as other assets as in the 2018 Consolidated annual accounts of NN Group ('clean market value').

Differences in other assets recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -1,082 million as at 31 December 2018. Differences in valuation of other assets amounted to EUR 192 million as at 31 December 2018.

Valuation for Solvency purposes continued

Changes in valuation bases

During 2018, no material changes were made to the recognition and valuation bases, or estimations used, in the measurement of assets on the Solvency II balance sheet.

D.2 Technical provisions ('Insurance and investment contracts')

Value of the technical provisions

The value of technical provisions, including the amount of the Best Estimate of Liabilities ('BEL') and the Risk Margin ('RM') is disclosed below separately for each material line of business as at 31 December 2018:

Value of technical provisions by Solvency II Business Line

As at 31 December 2018. In EUR million	Best Estimate Liabilities	Risk margin	Technical provisions
Technical provision per line of Business:			
1. Non-Life	2,112	100	2,212
2. Non-Life similar to health	291	16	307
3. Life	111,087	5,242	116,329
4. Life similar to health	3,120	188	3,308
5. Index-linked and Unit-linked	28,040	752	28,792
Total	144,650	6,298	150,948

Bases, methods and main assumptions used for solvency valuation

Technical Provisions are measured for Solvency II purposes as the sum of the BEL and RM. The BEL are equal to the probability-weighted average of the present value of the future liability cash flows. The RM is defined as the amount that an empty (re-)insurance entity is expected to require in excess of the BEL in order to take over and meet the (re-)insurance obligations.

Best estimate of liabilities

NN Group uses cash flow models and best estimate assumptions to determine the BEL under Solvency II. Premiums, benefits, expenses and other relevant cash flows are projected for the policy term – subject to contract boundaries – and discounted at the currency specific risk-free interest rate term structure, including the Ultimate Forward Rate ('UFR'), to allow for financial risk with the currency specific Credit Risk Adjustments ('CRA') and country specific Volatility Adjustment ('VOLA'). This is the full-cash flow approach and is typical for traditional business. For unit-linked business, only margins are projected (expenses and charges) as investment risks are borne by the policyholder. Cash flows are either projected on a per policy basis or individual policies are grouped into representative model points.

At the end of 2018, the UFR for EUR under Solvency II was set at 4.05%. In April 2017, EIOPA published an updated methodology to derive the UFR and in line with this updated methodology, the calculated value of the UFR for EUR is 3.60%, but annual changes to the UFR will not be higher than 15 basis points. Therefore the UFR for EUR is expected to decrease from 4.05% to 3.90% from 1 January 2019.

Cash flows are projected along a sufficiently large number of future risk-free interest rate scenarios to allow for one-sided financial options and guarantees. This is typical for traditional business with profit sharing on top of a fixed interest rate guarantee and unit-linked products with a guaranteed return. The best estimate risk-free interest rate term structure (with CRA and VOLA, if applicable) is used in those instances where there are no embedded options or guarantees.

The cash flow projections consider future management actions that can be taken to mitigate the loss to NN Group, management policy covering the distribution of future discretionary benefits and the predictability and profit sharing of liability cash flows. The cash flow projections used in the calculation of the BEL are based on the best estimate assumptions. The cash flow projection reflects the expected realistic future demographic, legal, medical, technological, social, environmental and economic developments that have a material impact on the BEL.

Assumptions underlying the BEL are portfolio-specific rather than entity-specific. Entity-specific assumptions are used only insofar as those assumptions enable the entity to better reflect the characteristics of the portfolio or where the calculation of the BEL in a realistic, reliable and objective manner without those assumptions is not possible.

For each material line of business, a quantitative and qualitative explanation of material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and those used for their valuation in financial statements are included in the local Actuarial Function Reports prepared by the local Actuarial Function Holders ('AFHs').

For unmodelled business, Technical Provisions are estimated either by scaling of modelled business or by setting Solvency II Technical Provisions equal to IFRS insurance liabilities. The AFH considers the application of these approaches to estimating Technical Provisions of unmodelled business when providing his/her opinion.

Reinsurance and other recoverables

The BEL are estimated gross, without deduction of the amounts recoverable from reinsurance contracts. The amounts recoverable from reinsurance contracts and expected losses due to counterparty default are calculated separately. The principles used to calculate the amounts recoverable are consistent with those underlying the calculation of the gross BEL.

Valuation for Solvency purposes continued

Risk margin

In addition to the BEL a RM is held to allow for non-hedgeable market and non-market risks. The calculation of the RM is performed by either explicitly calculating the SCR for each future year or by using a driver approach. Long term guarantee ('LTG') measures are excluded from the calculation of the SCRs and in the discounting, when calculating the RM.

With the driver approach, the relevant sub-risk SCRs - either Internal Model or Standard Formula - are projected using appropriate risk drivers, multiplied by the cost of capital of 6%, then discounted at the relevant risk free rate term structure. The sub-risk margins are aggregated using the relevant diversification factors. This calculation is performed by main products for the material Business Units. Note that this is a simplification as Solvency II requires the individual SCRs to be diversified at each future point in time. NN Group's simplification does not lead to a material misestimation of the RM (less than 1%).

Assumptions

Non-financial assumptions

Best estimate assumptions are set for expenses, mortality, morbidity and other relevant insurance risks using historical experience of the insurance portfolio. Assumptions are reviewed by each entity at least annually and submitted to the Chief Actuary Office ('CAO') for review and submitted to the Group Model Committee ('MoC') for information or, depending on materiality, for the MoC to advise the Chief Risk Officer and Chief Financial Officer or the NN Group Management Board, following NN Group's model governance.

Policyholder behaviour regarding lapses, partial and full surrenders and paid-ups are taken into account for individual life business for traditional and unit-linked portfolios subject to the boundaries of the contracts. Policyholder behaviour is typically not considered for non-life and group life business.

Management actions are reflected in the cash flow projections. These are mostly current management actions related to dynamic decision rules in the asset liability models of NN Group. Future management actions are assumed for portfolios including discretionary benefits.

Boundaries of insurance contracts are set by the Business Units based on a detailed investigation of terms and conditions of their portfolios. These assessments were reviewed and acknowledged at Head Office without comparing the different practices.

Financial assumptions

NN Group follows EIOPA requirements in determining the basic risk-free rates and the VOLA to determine the relevant currency specific risk free rate term structure for valuation of Technical Provisions. Because EIOPA curves are not available in time for NN Group's entities to start their valuations, NN Group follows the EIOPA methodology to independently produce the curves. These are then compared to the published EIOPA curves when these are made available to ensure consistency between the EIOPA and the NN Group manufactured curves. At year-end 2018, the EIOPA and NN Group curves were consistent.

Changes in assumptions

During 2018, all Business Units reviewed their best estimate assumptions as part of the regular process and updated them where necessary to reflect new insights.

Options and guarantees

When establishing technical provisions at NN Group, all material financial guarantees and contractual options included within the boundary of insurance and reinsurance policies are taken into account. In doing so, factors which may affect the likelihood that policyholders will exercise contractual options or realise the value of financial guarantees are analysed.

The intrinsic value of financial options and guarantees is reflected in the single (deterministic) cash flow projection of technical provisions. These include the interest rate guarantees implicit in traditional products found throughout NN Group as well as policyholder options such as paid-up, guaranteed insurability options, and automatic inflation protection, where material.

A stochastic model is required to determine the time value of options and guarantees ('TVoG') where cash flows vary asymmetrically with market returns. The stochastic model uses a number of Monte Carlo simulations (typically, 1,000 to 3,500) to project future cash flows under various economic scenarios. The number of scenarios is set in order to reduce the simulation error to within the tolerance level. Currently, such error should be less than 1% of the best estimate liabilities, as determined by taking the 80% confidence interval of the mean standard error of the simulations. NN Group's Business Units perform a test to ensure the simulation error is within the established limits and increase the number of scenarios used if the test does not satisfy the requirements. Nearly the entire TVoG for NN Group is from Japan Closed Block VA and the Dutch group pension business.

Dynamic policyholder behaviour has been reflected where it is deemed material to the valuation under the different economic environments reflected in the stochastic scenarios. Where future profit sharing is dependent on economic conditions, the variability is taken into account in the TVoG. Where management actions have been taken into account, these are consistent with policies signed-off by the respective boards.

Actuarial Function Holders throughout the reporting entities of NN Group have assessed the allowances made in respect of options and guarantees in the technical provisions and the underlying assumptions, and came to the conclusion that such allowances are appropriate.

Valuation for Solvency purposes continued

Level of Uncertainty

For the level of uncertainty associated with the value of the technical provision, reference is made to Note 50 'Risk Management' in the 2018 Consolidated annual accounts of NN Group.

Main differences between IFRS and Solvency II valuation of technical provisions

As at 31 December 2018. In EUR million	IFRS	Consolidation scope	Valuation and presentation differences	Solvency II
Technical provision per line of Business:				
1. Non-Life	2,510	0	-298	2,212
2. Non-Life similar to health	333	0	-26	307
3. Life	124,788	-15,001	6,542	116,329
4. Life similar to health	3,406	0	-98	3,308
5. Index-linked and Unit-linked	30,081	-2,479	1,190	28,792
Total	161,118	-17,480	7,310	150,948

Summary of main differences between IFRS and Solvency II as at 31 December 2018

At 31 December 2018, the valuation and presentation differences between the insurance and investment contracts recognised in the IFRS balance sheet and the technical provisions recognised in the Solvency II balance sheet of NN Group amounted to EUR 7,310 million. Methods and models used in calculating the Solvency II technical provisions and IFRS insurance liabilities differ substantially. The main valuation differences between IFRS and Solvency II are outlined below:

- Insurance liabilities in the IFRS Balance sheet are established in accordance with IFRS 4 'Insurance Contracts'. Under IFRS 4, an insurer may continue its existing pre-IFRS accounting policies for insurance contracts, provided that certain minimum requirements are met. Upon adoption of IFRS-EU in 2005, NN Group decided to continue the then existing accounting principles for insurance contracts under IFRS-EU. NN Group operates in many different countries and the accounting principles for insurance contracts follow local practice in these countries. NN Group's businesses in the Netherlands, for example apply accounting standards generally accepted in the Netherlands ('Dutch GAAP') for their provisions for liabilities under insurance contracts. For the Delta Lloyd business units acquired by NN in 2017, insurance liabilities were established at the acquisition date following IFRS 13 'Fair Value Measurement'.
- The BEL in Solvency II are calculated for all entities as the expected present value of future liability cash flows using best estimate assumptions.
- A RM for non-hedgeable market and non-market risks is added to the BEL to establish the Solvency II technical provisions and also the IFRS provisions of the Delta Lloyd entities.
- Different interest rates are used for calculation of insurance and investment contracts under IFRS and Solvency II. For Solvency II a risk-free interest rate curve with credit risk, VOLA and UFR where applicable is used. None of the entities within NN Group apply a matching adjustment. For IFRS a fixed interest rate/guaranteed technical interest rate is used and for certain non-life insurance contracts discounting is not applied.
- The present value of future profits is recognised in Solvency II technical provisions but not in IFRS insurance liabilities.
- The difference between IFRS and Solvency II provisions is primarily reflected in the Life line of Business, where IFRS insurance liabilities largely reflect assumptions - interest, mortality, morbidity, expense, etc. - locked-in at policy issue, which can depart significantly from the best estimate assumptions reflected in the Solvency II provisioning. For the Delta Lloyd entities, the acquisition date is considered the policy issue date. The locked-in actuarial assumptions reflect best estimates at the acquisition date.
- For index-linked and unit-linked insurance, the IFRS insurance liabilities are equal to the fund value of these contracts. For Solvency II technical provisions, the present value of the margins is deducted from the fund value.

Differences in technical provisions recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation caused by NN Life Japan amounted to EUR -17,480 million as at 31 December 2018.

Valuation for Solvency purposes continued

Matching and volatility adjustment, transitional measures and transitional risk-free interest rate-term structure

QRT S.22.01.22 'Impact of long term guarantees and transitional measures' in the Appendix provides the quantitative impact of excluding the so-called Long Term Guarantee ('LTG') measures and Transitional measures from Own Funds and the SCR. QRT S.22.01.22 mandates disclosure of the quantitative impact of excluding:

- Transitional measures on technical provisions
- Transitional measures on interest rates
- Volatility adjustment
- Matching Adjustment

on:

- Technical provisions
- Basic Own funds
- Eligible Own funds to meet Solvency Capital Requirement
- Solvency Capital Requirement

All the elements of which the impact is excluded in this QRT are an integral part of the Solvency II framework. The resulting Own Funds and SCR should therefore not be seen as a replacement of, or alternative for, the Own Funds and SCR as determined in accordance with Solvency II. For NN Group, the Volatility adjustment ('VOLA') is of significant relevance given its long-dated liability profile and its approach to match cash-flows of these liabilities with corresponding fixed income instruments. Transitional measures in respect of technical provisions and interest rates are applied by NN Group, but the impact thereof is less significant. NN Group does not apply the Matching Adjustment.

Transitional on technical provisions

NN Group applies the transitional measures on technical provisions for its insurance businesses in Belgium and Spain. These transitional measures resulted in a reduction of EUR 735 million in technical provisions, contributing EUR 551 million (after tax) to Basic Own Funds before deductions as at 31 December 2018. The impact on Basic Own Funds after deductions and on Eligible Group Own Funds is partly mitigated because of the deduction of the excess non available Own Funds. Therefore the net impact on Eligible Own Funds is EUR 227 million. These transitional measures had no impact on the SCR as at 31 December 2018.

Transitional on the risk-free interest rates

NN Group applies the transitional measures on the risk-free interest rates for its insurance business in Greece. These transitional measures resulted in a reduction of EUR 109 million in technical provisions as at 31 December 2018. The impact on Basic Own Funds after deductions and on Eligible Group Own Funds is partly mitigated because of higher excess non available Own Funds. Therefore the net impact on Eligible Own Funds is EUR 67 million. The application of transitional measures on interest rates resulted in a decrease of the SCR of EUR 4 million.

Volatility adjustment

NN Group applies the yield curve as published by EIOPA for the calculation of the technical provisions under Solvency II. In line with Solvency II regulations, this yield curve includes a Volatility adjustment component. As at 31 December 2018, the level of the VOLA for the Euro currency was 24 bps (31 December 2017: 4 bps). The application of the VOLA resulted in a reduction of EUR 3,394 million in technical provisions, contributing EUR 2,674 million (after tax) to Basic Own Funds after deductions and Eligible Own Funds as at 31 December 2018.

In the calculation of the SCR for the Partial Internal Model entities, NN Group assumes no change to the VOLA after a shock-event, but reflects the illiquidity of liabilities in the asset shocks to ensure appropriate solvency capital requirements. This VOLA approach is approved by DNB, in particular to ensure appropriate risk incentives on asset allocation decisions. NN Group also shocks all government bonds and its mortgage portfolio in the calculation of spread risk capital requirements for the Partial Internal Model entities. Under the Standard Formula no capital is required to be held against spread risk arising from these assets, whereas under the Partial Internal Model substantial capital is held against these risks.

If the VOLA would be excluded from the SCR calculation for Partial Internal Model entities, the spread risk on government bonds and mortgages would, in the opinion of NN Group, need to be adjusted accordingly. However, for the completion of QRT S.22.01.22 'Impact of long term guarantees and transitional measures' in the Appendix, NN Group is required to reflect only the impact of excluding the VOLA from Eligible Own Funds and the SCR, without adjusting for the spread risk on government bonds and mortgages.

The impact of removing the VOLA from Own Funds increased in 2018 versus 2017 as the level of the VOLA in the yield curve as published by EIOPA increased. The impact of removing the VOLA from the SCR increased in 2018 versus 2017 as the scope of the Partial Internal Model was extended with the main Delta Lloyd entities in the Netherlands.

D.3 Other liabilities

Subordinated debt, Debt securities issued and Other borrowed funds

In the IFRS balance sheet, subordinated debt, debt securities issued and other borrowed funds are reported at amortised cost. In the Solvency II balance sheet, these borrowings are reported at market value, excluding an adjustment for the change in NN Group's own credit risk after initial recognition. In the Solvency II value, the change in the own credit risk is not taken into account. The Solvency II value of subordinated debt is calculated using discounted cash flows based on current interest rates and credit spreads at issue date. The Solvency II value of other borrowed funds, is calculated by discounting expected future cash flows using a current market interest rate and credit spreads at issue date.

Valuation for Solvency purposes continued

Valuation differences between IFRS and Solvency II for Subordinated debt of EUR 94 million and other borrowed funds of EUR 27 million represent the difference between amortised cost and market value, excluding an own credit element.

Presentation differences include the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest-bearing liabilities ('dirty market value') and not separately as other liabilities as in the 2018 Consolidated annual accounts of NN Group ('clean market value'). In addition to this presentation difference, subordinated debt presented as equity under IFRS is presented as liability under Solvency II. Total presentation differences for subordinated debt amounted to EUR 1,890 million as at 31 December 2018.

Debt securities issued in IFRS is presented as other borrowed funds in Solvency II, causing a presentation difference of EUR -1,990 million.

The presentation differences in the other borrowed funds of EUR 6,088 million is for EUR 1,990 million transferred from Debt securities issued. The remaining part is the cash collateral amounts received for derivatives for EUR 4,085 million and accrued interest, both reported in IFRS under 'Other liabilities'.

Differences due to a different scope of consolidation amounted to EUR -5,468 million for the other borrowed funds as at 31 December 2018.

Customer deposits and other funds on deposit

NN Bank is the only group entity carrying Customer deposits. As NN Bank is reported as Other Financial Sector entities and thus not consolidated for Solvency II purposes, no Customer deposits and other funds on deposit are recognised in the Solvency II balance sheet. This results in consolidation difference amounted to EUR -14,729 million as at 31 December 2018.

Non Trading derivatives

Main difference is due to different scope of consolidation amounted to EUR -208 million which is related to NN Bank and NN Life Japan.

Liabilities for employee benefits

No significant liability for employee benefits exists in NN Group.

Deferred tax liabilities

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS (reference is made to section D.1 'Assets' - Other assets). However, due to the differences in valuation of assets and liabilities as set out in sections D.1 'Assets', D.2 'Technical provisions' and D.3 'Other liabilities', EUR -928 million lower deferred tax liabilities are recognised in the Solvency II balance sheet as at 31 December 2018. Differences due to a different scope of consolidation amounted to EUR -592 million as at 31 December 2018.

Other liabilities

In the IFRS balance sheet, other liabilities are reported at the notional amount. In the Solvency II balance sheet, other liabilities are reported at market value.

Presentation differences amounted to EUR -4,279 million as at 31 December 2018 of which the main part (the cash collateral received) is transferred to Other borrowed funds. Presentation differences also include the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest bearing liability ('dirty market value') and not separately as other liabilities as in the 2018 Consolidated annual accounts of NN Group ('clean market value').

Differences due to a different scope of consolidation amounted to EUR -1,578 million as at 31 December 2018.

Contingent liabilities and provisions

Part of the other liabilities are the contingent liabilities and provisions. In the IFRS balance sheet, provisions are recognised when:

- An entity has a present obligation (legal or constructive) as a result of a past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- A reliable estimate can be made of the amount of the obligation

In the IFRS balance sheet, provisions are recognised for the amount representing the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Contingent liabilities are not recognised in the IFRS balance sheet. These are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

In the Solvency II balance sheet, all material contingent liabilities are recognised as liabilities for the expected present value of future cash flows required to settle the contingent liability over the lifetime of that contingent liability, using the basic risk-free interest rate term structure.

Valuation for Solvency purposes continued

Valuation differences between IFRS and Solvency II for contingent liabilities and provisions represent:

- A recognition difference: contingent liabilities are not recognised in the IFRS balance sheet, but are recognised in the Solvency II balance sheet if the exposure can be reliably estimated
- A measurement difference: provisions are measured in the IFRS balance sheet using the best estimate outcome (i.e. the full amount that may be incurred), while Solvency II requires a provision for the probability weighted outcome (i.e. the probability multiplied by the impact of the differences as at 31 December 2018)

For more details on other provisions and contingent liabilities, reference is made to Note 41 'Contingent liabilities and commitments' and Note 42 'Legal proceedings' in the 2018 Consolidated annual accounts of NN Group.

The valuation difference between IFRS and Solvency II for provisions and contingent liabilities had no material impact at 31 December 2018.

Leasing

Information on operating lease arrangements are recognised in Note 28 'Other operating expenses' and Note 41 'Contingent liabilities and commitments' in the 2018 Consolidated annual accounts of NN Group. There are no significant financial lease arrangements within NN Group.

Expected profits in future premiums

For existing business, expected profits included in future premiums are reflected in the technical provisions and therefore contribute to the Own Funds. For more information on the expected profits in future premiums, reference is made to QRT S.23.01.22 'Own Funds' as included in the Appendix.

Outflow of economic benefits

For the expected timing of the outflows of economic benefits reference is made to Note 37 'Liabilities by maturity' in the 2018 Consolidated annual accounts of NN Group. Uncertainties surrounding the amount or timing of the outflows of economic benefits is described in the Liquidity Risk paragraph in Note 50 'Risk management' in the 2018 Consolidated annual accounts of NN Group. The uncertainties in amount or timing of other liability cash flows are low. Deviation risk was not taken into account in the valuation of the other liabilities.

Changes during 2018

No significant changes were made to the recognition and valuation bases nor on estimations of the other liabilities during the reporting period.

D.4 Alternative methods for valuation

Differences within NN Group

The bases, methods and main assumptions used at NN Group level for the valuation for Solvency II purposes does not differ materially from those used by any of its subsidiaries.

Alternative valuation methods used

Alternative valuation methods are used by NN Group to determine the fair value of assets and liabilities if quoted market prices in active markets are unavailable. Reference is made to Note 33 'Fair value of financial assets and liabilities' and Note 34 'Fair value of non-financial assets' in the 2018 Consolidated annual accounts of NN Group for more information on the valuation approaches used.

D.5 Any other information

Active markets

Information on the criteria used to assess whether markets are active is included in Note 1 'Accounting policies' in the 2018 Consolidated annual accounts of NN Group. The valuation methods used if the markets are inactive are described in Note 33 'Fair value of financial assets and liabilities'.

Estimation uncertainties

Reference is made to 'Strategy and value creation' in the 2018 Annual Review of NN Group for assumptions and judgments used including those about the future. For the major sources of estimation uncertainty, reference is made to Note 50 'Risk Management' in the 2018 Consolidated annual accounts of NN Group.

Capital management

E. Capital Management

Introduction

This chapter of the SFCR contains information on the capital management of NN Group, including the reconciliation of IFRS equity to Solvency II Own Funds, NN Group's Minimum Capital Requirement ('MCR') and detailed information on NN Group's Partial Internal Model.

E.1 Own funds

Reference is made to Note 51 'Capital and liquidity management' in the 2018 Consolidated annual accounts of NN Group for:

- The objectives, policies and processes employed by NN Group for managing its Own Funds, including information on the time horizon used for business planning and on any material changes over the reporting period
- The structure, amount and quality of Own Funds, including the extent to which each material own fund item is available and subordinated, as well as its duration and any other features that are relevant for assessing its quality
- The amount of eligible Own Funds to cover the SCR, classified by tiers

Solvency II Basic Own Funds represent the excess of assets over liabilities in the Solvency II balance sheet and subordinated liabilities. It comprises the following items:

- Paid-in ordinary share capital and the related share premium account
- The amount equal to the value of net deferred tax assets
- A reconciliation reserve. The purpose of the reconciliation reserve is to reconcile the value of the above items to the total amount of the excess of assets over liabilities
- Paid-in subordinated liabilities

NN Group did not have Ancillary Own Funds during 2018 or as at 31 December 2018.

Impact of long term guarantees and transitional measures

The quantification of the impact of a change to zero the volatility adjustment, transitional on technical provisions and transitional on interest rates on NN Group's financial position - represented by an adjustment on the amount of technical provisions, the SCR, the Basic Own Funds and the Eligible Own Funds is included in Section D.2 and QRT S.22.01.22 'Impact of long term guarantees and transitional measures' in the Appendix.

Items deducted from Own Funds

Under Solvency II, Own Funds are reduced by 'foreseeable dividends, distributions and charges'. This requirement is different from reporting under IFRS where dividends are deducted from equity (and a corresponding liability is recognised) when they are declared and share buy-backs are deducted from equity (through 'treasury shares held') when these are executed.

Capital management continued

Recognition of 'foreseeable dividends, distributions and charges' under Solvency II are relevant in four different circumstances:

- Dividends (interim and final)

Under IFRS and Solvency II, dividends are deducted from equity when these are declared. Dividends are declared when these are approved. Interim dividends are approved when decided by the Executive Board. Final dividends are to be approved by the General meeting of Shareholders.

In addition, under Solvency II, proposed dividends that are not yet finally approved but form part of the appropriation of the net result for the year are foreseeable dividends as from the date the decision to distribute has been made by the Executive Board. If such decision is made after the balance sheet date but before the publication date, these are reflected as foreseeable dividends. Dividends that are approved after the balance sheet date and relate to the new period/year (i.e. are not part of the appropriation of the result for the period), are not reflected as foreseeable dividends at the reporting date.

- Coupons on undated notes

Certain funding transactions through undated perpetual notes with discretionary interest payments qualify as equity under IFRS. Under IFRS, the coupons on these notes are deducted from equity when these become irrevocably due. This implies that coupons are deducted from equity at the earlier of the following dates:

- On the date of payment
- On the date on which the otherwise discretionary payment becomes contractually required; this may be the case when the contract specifies triggers for mandatory coupon payment, such as the declaration/payment of dividend on ordinary shares and/or a purchase of own shares within a certain period

Under Solvency II, certain undated perpetual notes are recognised as Solvency capital. Coupon payments on such instruments are considered to be distributions and fall under the requirements for 'foreseeable dividends, distributions and charges'. Whilst a coupon may be discretionary (and, as such, there is no contractual requirement to pay), in normal circumstances it is expected that these will be paid. As such, these must be recognised as a foreseeable distribution on an accrual basis. If and when a trigger occurred under IFRS and the full annual coupon is already recognised under IFRS, the same amount is recognised under Solvency II. Consequently, the deduction from Solvency II Own Funds is the higher of the accrued amount (if no liability is recognised under IFRS) and the full annual coupon (if recognised under IFRS).

- Coupons on funding liabilities

Under IFRS, coupons on funding classified as liabilities are recognised on an accrual basis. Under Solvency II, certain funding liabilities are recognised as capital (Tier 1 or Tier 2). Coupons payable on these instruments are in scope of 'foreseeable dividends, distributions and charges'. Coupons are deducted from Own Funds on an accrual basis.

- Purchase of own shares

Under IFRS, (re)purchased own shares ('share buy backs') are deducted from equity upon execution of the repurchase (the so-called 'trade date'). In case of a share purchase programme that is executed over time, execution takes place at different points in time and, therefore, deduction from equity occurs at every specific execution date.

Under Solvency II, when own shares are (re)purchased, these are considered to be distributions to shareholders. As such, they fall under the requirements for 'foreseeable dividends, distributions and charges'. Purchases of own shares become foreseeable when the Executive Board has decided on a purchase. In case of a share purchase programme that is executed over time, but is decided upon as one programme, the full (maximum) repurchase under the programme is deducted from Own Funds at the date the Executive Board approves the programme.

Quantitative explanation of the material differences between IFRS equity and excess assets over liabilities as calculated for solvency purposes is provided further in this section and section D 'Valuation for Solvency Purposes'.

Foreseeable dividends, distributions and charges amount to EUR 541 million and include the proposed final 2018 dividend of EUR 415 million, and the accrued coupons on the eligible subordinated debt of EUR 126 million.

Additional ratios

No additional ratios are disclosed in the Solvency and Financial Condition Report other than the ratios included in QRT S.23.01.22 'Own Funds' as included in the Appendix plus those that are included by reference into this report.

Analysis of significant changes in Own Funds

Reference is made to Note 51 'Capital and liquidity management' of the 2018 Consolidated annual accounts of NN Group for an analysis of significant changes in Own Funds.

The principal loss-absorbency mechanism

During 2018, subordinated liabilities issued by NN Group and recognised as Tier 1 solvency capital had no principal loss-absorbency mechanism in place.

Capital management continued

Reconciliation reserve

The reconciliation reserve equals the total excess of assets over liabilities reduced by the following key elements:

- Paid-in ordinary share capital and related share premium account
- Paid-in preference shares and related share premium account
- The number of own shares held by NN Group
- The amount equal to the value of net deferred tax assets
- Foreseeable dividends, distributions and charges

The reconciliation reserve is included in QRT S.23.01.22 'Own Funds' in the Appendix to this report.

Reconciliation IFRS equity to Own Funds

Reconciliation IFRS equity to Solvency II Basic Own Funds

In EUR million	2018	2017
IFRS Shareholders' Equity	22,850	22,718
Minority interest	234	317
Elimination of deferred acquisition costs and intangible assets	-1,441	-2,356
Valuation differences on assets	833	1,948
Valuation differences on liabilities, including insurance and investment contracts	-7,677	-9,558
Deferred tax effect on valuation differences	1,571	2,179
Difference in treatment of non-Solvency II regulated entities	-1,242	-1,163
Excess of assets over liabilities	15,129	14,085
Deduction of participation in Bank	-905	-884
Subordinated loans	4,417	4,394
Foreseeable dividends and distributions	-541	-474
Basic Own Funds	18,100	17,121

The differences between IFRS Shareholders' Equity in NN Group's 2018 annual accounts and Solvency II Basic Own Funds of NN Group as at 31 December 2018 are mainly caused by:

- Consolidation differences: Other Financial Sector entities, including Institutions for Occupational Retirement Provision and insurance entities outside the European Economic Area (non-EEA) on equivalence basis (NN Life Japan) controlled by NN Group are not consolidated, but rather recognised as associate in the Solvency II balance sheet and measured based on local/ relevant (sectoral) rules. The Own Funds of these entities are added separately to the Own Funds of NN Group
- Valuation differences:
 - Intangible assets are not recognised or recognised at nil under Solvency II
 - Deferred acquisition costs are not recognised for Solvency II purposes
 - Different measurement of:
 - o Loans and advances
 - o Reinsurance contracts
 - o Subordinated loans
 - o Insurance and investment contract liabilities
 - The other valuation differences mainly consist of the change in net Deferred Tax Assets or Deferred Tax Liabilities caused by using different valuations for some Solvency II balance sheet items whilst the tax base of these items remained the same
- Other differences:
 - Participation in NN Bank is excluded as NN Group is designated as FICO by DNB
 - Hybrid capital issued by NN Group to NN Bank is deducted to prevent double counting
 - Subordinated loans which are recognised as Solvency II capital are included
 - Foreseeable dividends and distributions are recognised for Solvency II purposes when determining the Basic Own Funds

Reference is made to section D 'Valuation for Solvency Purposes' for more information on the valuation and consolidation differences between IFRS and Solvency II.

Own Funds issued by other group entities

Reference is made to Note 51 'Capital and liquidity management' of the 2018 Consolidated annual accounts of NN Group for the Own Funds issued by NN Group entities.

Intra-group transactions

NN Group Own Funds have been calculated net of any intra-group transactions with other Solvency II entities within the group, but including intra-group transactions with non-Solvency II entities within NN Group.

Capital management continued

Eligibility, transferability and fungibility of Own Funds

For the legal and supervisory limits on freely distributable capital, reference is made to Note 12 'Equity' of the NN Group 2018 Consolidated annual accounts. Reference is made to Note 51 'Capital and liquidity management' of the NN Group 2018 Consolidated annual accounts for the restrictions affecting eligibility, transferability and fungibility of Own Funds of NN Group and related undertakings.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

SCR

Reference is made to QRT S.25.02.22 in the Appendix and Note 50 'Risk management' of the 2018 Consolidated annual accounts of NN Group for the amount of the SCR split by risk categories.

NN Group determined the SCR including:

- Loss-absorbing capacity of technical provisions ('LAC TP'). LAC TP is the part of the technical provisions that can be used to absorb some of the SCR shock losses, as the expected future profit sharing to policyholders will be reduced if actual losses would arise. LAC TP is applicable to insurance policies with discretionary profit sharing
- Loss-absorbing capacity of deferred taxes ('LAC DT'). NN Group's total loss in a 1-in-200 adverse event would be offset by tax recoveries and these are recognised to the extent to be expected to be recoverable. The determination of LAC DT is significantly dependent on various assumptions, such as capitalisation assumptions, the assumed investment returns and the projection period

Reference is made to QRT S.25.02.22 'Solvency Capital Requirement' in the Appendix.

Deferred tax under Solvency II

The total deferred tax amount in Solvency II arises from:

- Taxable or deductible temporary differences because the carrying amount of assets or liabilities in the balance sheet differs from the tax base of those assets or liabilities. These differences multiplied by the tax rate are recognised as a net deferred tax liability or a net deferred tax asset (per legal entity) in the balance sheet. Reference is made to section D.1 'Assets' for the deferred tax asset recognised in the Solvency II balance sheet
- The LAC DT on the SCR
- Unused tax losses that are available for carry forward for tax purposes

Not all valuation differences between the tax basis and Solvency II and SCR shocks will lead to deferred tax as certain elements are exempt for tax. For example: valuation differences on certain equity securities and the equity shock in the SCR on these securities do not result in a deferred tax effect when equity returns are exempt from tax. Therefore, these are excluded from the valuation differences and SCR amounts in order to arrive at the deferred tax balances for Solvency II.

The total deferred tax amount for Solvency II is therefore built up in a number of steps:

- deferred tax assets on unused tax losses
- +/- deferred tax assets/liabilities from valuation differences between IFRS and tax basis (except for non-taxable items)
- = deferred tax asset/liability in the IFRS balance sheet (deferred tax for IFRS)
- +/- deferred tax assets/liabilities from valuation differences between Solvency II and IFRS (except for non-taxable items)
- = deferred tax asset/liability in the Solvency II balance sheet (deferred tax for Own Funds)
- + deferred tax on SCR (LAC DT on the SCR) (except for non-taxable items)
- = total deferred tax amount for Solvency II

The 'total deferred tax amount for Solvency II' represents the deferred tax position that would be reflected in a Solvency II balance sheet that is fully shocked in line with the SCR shock. Any net deferred tax asset/benefit - whether for IFRS, Own Funds or SCR - must be tested for recoverability. The general guidance on assessing recoverability is summarised as follows:

- Tax assets can only be recognised when it is concluded that their recoverability is probable. This applies to both deferred tax assets from timing differences, deferred tax assets from unused tax losses carried forward and the LAC DT on the SCR.
- Deferred tax assets are recoverable when:
 - There are sufficient deferred tax liabilities relating to the same taxation authority and the same taxable entity. These deferred tax liabilities must be expected to reverse either in the same period as the tax asset or in periods into which a tax loss can be carried back or forward
 - It is probable that the entity will have sufficient taxable profit relating to the same taxation authority and the same taxable entity in the same period as the reversal of the deductible temporary difference (or in the periods into which a tax loss arising from the deferred tax asset can be carried back or forward)
 - Tax planning opportunities are available

Capital management continued

Deferred taxes in the IFRS and Solvency II balance sheet are nominal, undiscounted, amounts. Therefore, recoverability testing also only considers nominal, undiscounted, amounts.

Specific guidance applies under Solvency II in respect of item b. 'Sufficient taxable profit' as, different from IFRS, this refers to Solvency II based profits (before and after a shock event) and not to regular (IFRS-based) profits.

In order to assess the recoverability of deferred tax, the total deferred tax amount for Solvency II (i.e. deferred tax in the Solvency II balance sheet plus the LAC DT on the SCR) must be equal to or lower than the total recoverable deferred tax amount in a Solvency II environment.

The recoverable amount must be assessed at the legal entity level and may not - except for the Solvency II balance sheet deferred tax asset only - include amounts from other entities in the Group, independent of existing fiscal unities or tax groups. While from a legal, tax and economic perspective the recoverability would benefit from the existence of a fiscal unity, and therefore the benefit from a fiscal unity is 'real', the Q&As as published by DNB prohibits reflecting the benefit of a fiscal unity in supporting the LAC DT on the SCR. The fiscal unity may be reflected in supporting the deferred tax asset in the Solvency II balance sheet.

As the total deferred tax amount for Solvency II (i.e. the deferred tax asset that exists in a fully shocked SCR balance sheet) is the highest amount, it acts as starting point for the recoverability test. This total amount reflects the differences between the tax values and the Solvency II values for all assets and liabilities and the tax benefit on the SCR. Only if the total deferred tax is non-recoverable, the recoverability of the deferred tax in Own Funds becomes separately relevant.

It is reasonable to assume that NN Group can continue as a going concern after the shock. The tax recoverability test of NN Group is performed on this basis.

The total recoverable deferred tax amount in a Solvency II environment may come from various sources and includes both recoverability from items that never impact taxable profits and reverse over time as well as sources of profits and losses that would emerge in a Solvency II environment or a Solvency II environment after a SCR-type shock would have occurred. The recoverability is therefore based on an estimation of the total taxable results (including both income and expenses) that is expected to arise in a Solvency II environment after the shock. The sources of recoverability include all components of the estimated future taxable results, irrespective whether these are income ('profit') or expense ('loss'). In this calculation the reduction of the ultimate Dutch corporate income tax rate from 25% to 20.5% is included, that was approved in December 2018.

The following items may be included in determining the total recoverable deferred tax amount:

- The amount of the risk margin in the technical provision
- Taxable return on capital after the shock, after recapitalisation to 100% SCR if applicable, net of expected dividends
- Reversal of the net effects of the credit-spread shock
- Taxable part of investment spread in excess of interest accretion on liabilities and funding costs over their (expected average) remaining duration.
- Profits from estimated new business
- Other taxable items

NN Group has sufficient recoverable amounts to support the total deferred tax position recognised.

The net deferred tax asset is classified as Tier 3 capital. Tier 3 capital cannot exceed 15% of the Group Consolidated SCR. Further information on Tiering is included in Note 51 'Capital and liquidity management' in the 2018 Consolidated annual accounts of NN Group.

Minimum Capital Requirement

In EUR million	2018	2017
Eligible Own Funds to cover MCR	13,079	11,508
of which Tier 1 unrestricted	10,513	8,935
of which Tier 1 Restricted	1,895	1,885
of which Tier 2	671	688
MCR (or The sum of the MCR of the related undertakings)	3,357	3,442

The MCR for the group is calculated as the sum of the MCRs of the participating insurance and reinsurance undertakings.

Method of consolidation

Reference is also made to section D.1 Assets in this report for the methods used to consolidate entities within NN Group for Solvency II reporting purposes.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

NN Group has not used the duration-based equity risk sub-module during the reporting period.

Capital management continued

E.4 Differences between the Standard Formula and any Internal Model used

Internal Model vs Standard Formula

NN Group applies a Partial Internal Model as it better reflects the risk profile of the Dutch insurance entities (namely NN Life, Delta Lloyd Life, NN Non-Life, Delta Lloyd Non-Life, NN Re and Movir) and contains additional benefits for risk management purposes, whilst the Standard Formula adequately captures the risk profile of the international businesses and the ABN AMRO insurance entities.

In particular:

- An Internal Model approach better reflects the specific assets and therefore the market risk in the portfolio of NN Life and Delta Lloyd Life e.g. property risk, sovereign and other credit spread risks
- The approach to the most significant non-market risks within NN Life and Delta Lloyd Life such as longevity (trend uncertainty) and expense risk (closed block treatment) is better tailored to the specific portfolio characteristics and statutory reserves set up according to local company law
- An Internal Model approach better reflects the reinsured risks of NN Re (Netherlands) N.V. A significant proportion of the NN Re risks are a share of the NN Non-life risks where an Internal Model approach is applied. Variable Annuity risks are not adequately addressed by the Standard Formula. The Internal Model captures the combined market risks and the dynamics of the hedging programmes more accurately
- In the case of Disability/Morbidity Risks, the product features and experience in the Dutch market are different from those in the wider European market, e.g. greater emphasis is placed on claimants returning to work in the Netherlands
- In the case of the non-life catastrophe windstorm risk in P&C products, the Internal Model better reflects the risk profile in the NN portfolio which differs due to the type of property
- The Standard Formula diversification assumptions do not recognise all the diversification of risks that exist in the NN portfolios
- The Internal Model accounts for the volatility adjustment by means of an approach recognizing the illiquidity of liabilities in the asset shocks. Reference is made to section D.2 (in paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure' on page 26) for further information on NN Group's volatility adjustment

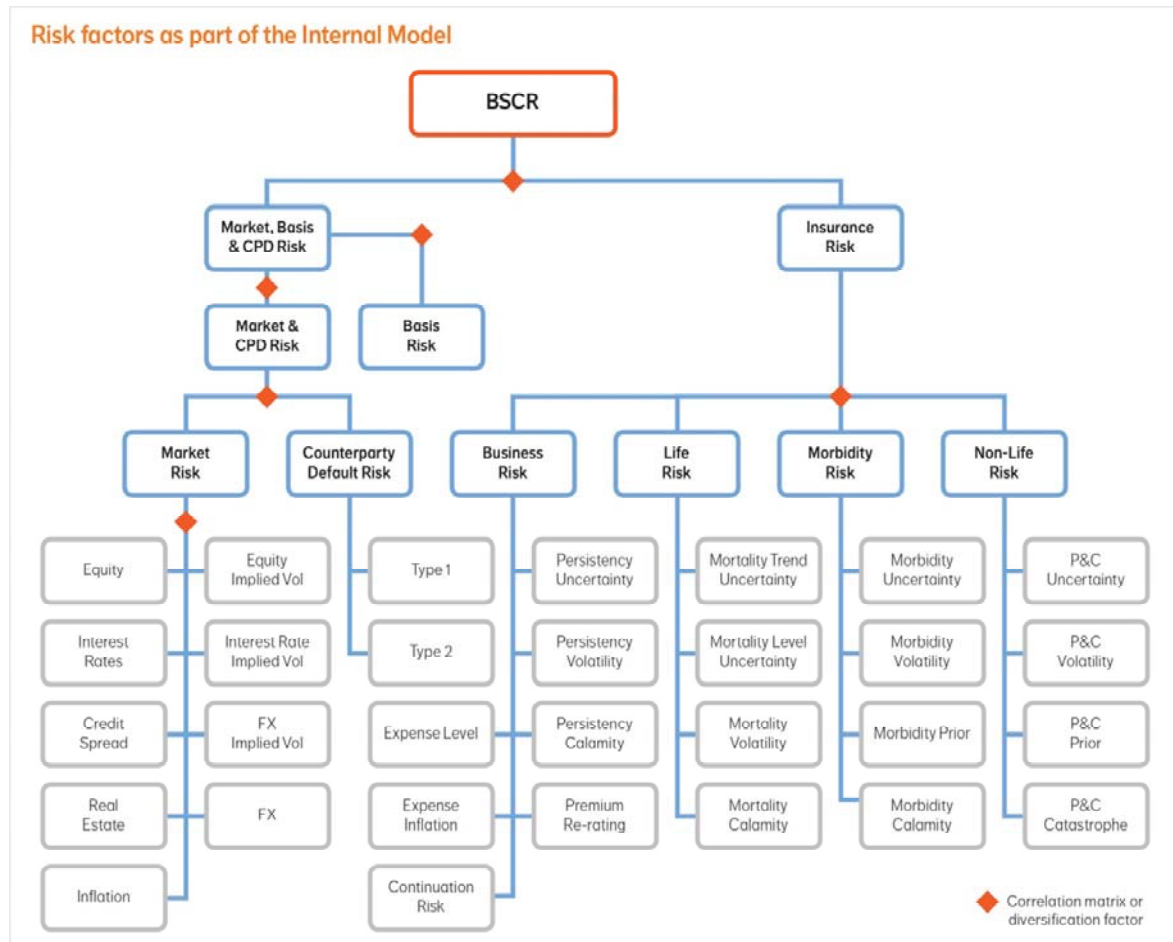
There are no differences between the Internal Models used at individual undertaking level and the Internal Model used to calculate the Group SCR.

In 2018, NN Group submitted a Major Model Change request to the DNB to expand its Partial Internal Model under Solvency II to include the Delta Lloyd Life and Non-life entities in the Netherlands. The regulatory approval of the Partial Internal Model Major Model Change (PIM MMC) was received from the Dutch regulator (DNB) on 5 December 2018. The expanded approved Partial Internal Model is used to calculate regulatory capital requirements effective 31 December 2018. NN Group applies the Standard Formula for the international insurance entities and for ABN AMRO insurance entities (ABN AMRO Life and ABN AMRO Non-Life). The risk profile of the Dutch Delta Lloyd Life and Non-Life entities is broadly similar to that of the equivalent Dutch NN entities. NN Group therefore believes that the Internal Model as approved by the DNB is more appropriate for the Dutch Delta Lloyd entities than the Standard Formula, wherein certain areas as mentioned above are not captured well in terms of granularity and of supporting proper risk management.

Risks covered by the Internal Model which are not – or differently - covered in the Standard Formula

Risk arises from the possibility that actual experience will adversely deviate from expectations, which results in economic losses for NN Group. In this respect, NN Group identified the following risk factors, and developed probability distributions for these various risk factors, as part of its Internal Model, which leads to the Basic Solvency Capital requirement ('BSCR'):

Capital management continued



In addition to the risks covered in the Standard Formula, the Internal Model includes the following risks:

- Inflation risk is defined as the risk associated with adverse changes in both realised and future expected inflation rates
- Equity implied volatility refers to the possibility of adverse changes in Solvency II Own Funds due to adverse changes in the level of equity implied volatilities
- Interest rate implied volatility refers to the possibility of adverse changes in Solvency II Own Funds due to adverse changes in the level of interest rate implied volatilities
- Foreign Exchange implied volatility refers to the possibility of adverse changes in Solvency II Own Funds due to adverse changes in the level of FX implied volatilities
- Basis risk is the risk that occurs if the underlying asset or liability behaves differently than the underlying hedge instrument
- Continuation risk refers to political, country or legal risk

Capital management continued

The most important differences between Internal Model and Standard Formula in covered risk factors are:

- Interest Rate Risk:
 - The Internal Model incorporates several shocks, including non-parallel ones, to the curve instead of only two parallel shocks used in the Standard Formula
 - The Internal Model uses absolute shocks, while the Standard Formula applies relative shocks to the base curves
 - The Internal Model allows for shocking negative interest rates, whereas the Standard Formula does not
 - In the Internal Model, first, the shock is applied to the interest rates and then the resulting rates are extrapolated to the Ultimate Forward rate. In the Standard Model the interest rates are first extrapolated to the Ultimate Forward rate and afterwards the shock is applied
 - In the internal model interest rates converge to the UFR after shock and thereby follow the dynamics of the balance sheet, whereas in the Standard Formula there is no convergence to the UFR after shock
- Equity Risk:
 - Level of shocks differs mainly because it is calibrated to the equity portfolio of NN Group
- Credit Spread Risk:
 - Shocks in the Internal Model apply to all fixed income assets, whereas the Standard Formula does not apply shocks to the bonds issued by countries which are EU members
- Real Estate Risk:
 - Shock applied in the Standard Formula is calibrated to historical prices observed in the UK property market, which is less representative for NN Group's portfolio, while the shock in the Internal Model is calibrated to actual exposures of NN Group
- Counterparty Default Risk:
 - Counterparty Default Risk module in the Standard Formula includes shocks applied to mortgage exposure, which are included under the Credit Spread module in the Internal Model
- Diversification within the Market Risk module:
 - The Internal Model assumes significant diversification between Interest Rate risk, on the one hand, and Credit Spread and Equity risks, on the other. Under the Standard Formula, diversification between these risks is different
- Life Risk:
 - Under the Internal Model, longevity risk (i.e. longevity trend uncertainty) is based on a multiyear model, whereas under the Standard Formula the longevity risk is estimated by permanently decreasing all mortality rates by the same fixed percentage

Structure of the Partial Internal Model

The BSCR in the Partial Internal Model is calculated as follows: the aggregate total BSCR of Internal Model entities (namely NN Life, Delta Lloyd Life, NN Non-Life, Delta Lloyd Non-Life, NN Re and Movir) is combined with the aggregate total BSCR of the Standard Formula entities (international businesses and ABN AMRO insurance entities) using a correlated sum - recognising a Solvency II regulation based diversification between the Internal Model and Standard Formula entities. At a lower level, diversification between the Internal Model entities is based on Internal Model, and between the Standard Formula entities is based on Standard Formula.

Capital requirements for operational risk are calculated in NN Group's entities based on the Standard Formula, and added to the combined BSCR.

Next, loss absorption effects from technical provisions and taxes are included. Finally, capital requirements for non-modelled entities are added.

The table below shows the results for the steps described above.

SCR

In EUR million	2018	2017
Internal Model entities	6,435	4,870
Standard Formula entities	1,408	3,535
Diversification	-269	-82
Partial Internal Model BSCR	7,574	8,323
Operational Risk	659	677
Capital add-on	0	44
Loss-Absorbing Capacity of Technical Provisions	-102	-131
Loss-Absorbing Capacity of Deferred Taxes	-1,456	-1,788
Non-modelled Solvency II Entities	92	105
Solvency II entities	6,767	7,230
Non-Solvency II entities	507	501
Total SCR	7,274	7,731

Capital management continued

The nature and appropriateness of the data used in the Internal Model

Market data is collected from pre-defined external data sources. The market data methodologies are based on the following key principles:

- All relevant market data must be used when it is available and is of sufficient quality, i.e. data derived from deep, liquid and transparent ('DLT') markets; for most of the market risk models NN Group uses standard well established market data sources, e.g. Bloomberg
- The market data used should be of sufficient quality; e.g. for most of the market risk models standard well established market data sources are used, e.g. Bloomberg. The data is analysed for correctness as part of the calibration process
- From the last observable liquid market data point, extrapolation methods must be used to complete the data set
- Extrapolated market data should
 - Be free of arbitrage
 - Be based on sound theoretical assumptions and/or expert judgment
 - Follow a smooth path from the entry point to the unconditional long-term level
- Estimates of ultimate long-term rates or levels should be stable over time, and only change because of changes in long-term expectations

Qualitative and quantitative information on the material sources of group diversification effects

The material group diversification effects arise from:

- Diversification within market risk module of EUR 6,855 million as at 31 December 2018 including diversification effects between interest rate risk, on the one hand, and credit spread and equity risk, on the other
- Diversification between market risk and non-market risk of EUR 2,367 million as at 31 December 2018

Differences between Internal Model used at individual undertaking level and at the group level

There are no differences between any Internal Models used locally and at the Group level. The Group uses central models for market risk and counterparty default risk, which are also applied by all entities using Internal Models.

Entities in the scope of the Internal Model have their specific models for non-market risk, which are then aggregated at the Group level for the Group SCR calculation.

The use of the Internal Model

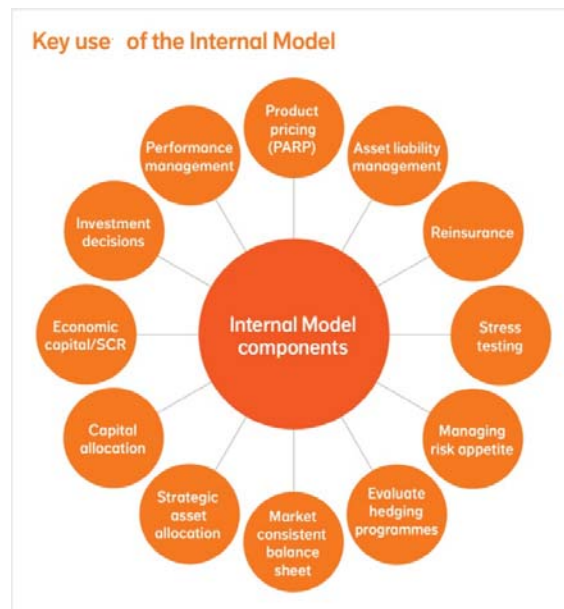
The Internal Model allows NN Group to treat different risk management activities in a consistent way:

- The model provides a framework which is consistent across risk types, businesses and the key uses such as market valuation, capitalisation, product pricing, investments, monitoring of risk appetite and risk mitigation/transfer
- The model facilitates adequate risk management at all levels of the organisation and provides a framework to measure, monitor and manage risks versus NN Group's risk appetite
- The model allows NN Group to manage risk in many different ways, e.g.:
 - Manage individual risk types at a much more granular approach, i.e. a stochastic (loss distribution) approach
 - Manage volatility in a stochastic rather than deterministic approach
 - Supports valuation, scenario - and stress analysis by running scenarios in a simple way using replicating portfolios
- The model allows NN Group to proactively define its risk measurement and management approach rather than awaiting (generic) industry changes to the Standard Formula

The Internal Model is used for different purposes (NN Group uses the Internal Model to measure the Own Funds at Risk (or Regulatory Capital at Risk) across its entities). Reference is made to Note 50 'Risk Management' in the 2018 Consolidated annual accounts of NN Group for the differences vs. the model used to calculate the Solvency Capital Requirement). It is used to measure and manage the risks at all levels within the company, thus covering the entire loss distribution. This information is not only used to determine the SCR to cover tail risks. It is also used for, amongst others, wider risk management, capital management and business decisions such as product pricing and asset allocation.

Capital management continued

The following diagram provides an overview of the key uses of the Internal Model.



The methods used in the Internal Model for the calculation of the probability distribution forecast and the Solvency Capital Requirement

For the market risk models the Normal Inverse Gaussian ('NIG') distribution is mostly used. The class of the NIG distributions is a flexible set of distributions that includes fat-tailed and skewed distributions. For some market risk models e.g. for the real estate risk model where fewer data points are available, the Normal or t-distribution are used.

Where there is lack of annual data, higher frequency data is used for the calibration of the distribution parameters. The distribution is then annualised for the calculation of the SCR.

To assess the quality of the calibration, the goodness-of-fit tests and back testing are applied.

Reference is made to Note 51 'Capital and liquidity management' in the 2018 Consolidated annual accounts of NN Group for more information on:

- The entities in scope of NN Group's Internal Model
- The risk measure and time period used in the Internal Model

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

NN Group complied with the MCR and the SCR during the reporting period.

E.6 Any other information

Reference is made to Note 51 'Capital and liquidity management' in 2018 Consolidated annual accounts of NN Group for any other material information regarding the capital management of NN Group, including the cash capital position at the holding company, financial leverage and credit ratings of NN Group.

Subsequent events

On 14 February, 2019 NN Group announced an open market share buyback programme for an amount up to EUR 500 million over a period of 12 months commencing 1 March 2019. The share buyback will be deducted from Solvency II Own Funds in full in the first quarter of 2019, whilst it will be deducted from IFRS shareholders' equity when the actual buyback transactions occur. NN Group intends to cancel all of the shares acquired under the programme.

Appendix 1

Appendix: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report

This appendix includes certain Quantitative Reporting Templates ('QRTs') of NN Group, required to be reported to DNB and to be publicly disclosed:

Reference number	Title	Description
S.02.01.02	Balance sheet	Balance sheet information using Solvency II valuation methodology
S.05.01.02	Premiums, claims and expenses by line of business	Information on premiums, claims and expenses using the valuation and recognition principles used in NN Group's Consolidated annual report
S.05.02.01	Premiums, claims and expenses by country	Information on premiums, claims and expenses by country using the valuation and recognition principles used in NN Group's Consolidated annual report
S.22.01.22	Impact of long term guarantees and transitional measures	Information on the impact of the long term guarantee and transitional measures
S.23.01.22	Own Funds	Information on Own Funds, including basic Own Funds
S.25.02.22	Solvency Capital Requirement	Information on the Solvency Capital Requirement calculated using the Standard Formula and a Partial Internal Model
S.32.01.22	Undertakings in the scope of the group	Information on the undertakings in the scope of the group

All amounts in this appendix are recorded in EUR 1,000.

Appendix 1 continued

S.02.01.02 Balance sheet

		Solvency II value C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	766,147
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	142,437
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	111,134,891
Property (other than for own use)	R0080	2,374,810
Holdings in related undertakings, including participations	R0090	7,262,918
Equities	R0100	3,091,357
Equities - listed	R0110	2,731,724
Equities - unlisted	R0120	359,633
Bonds	R0130	83,801,471
Government Bonds	R0140	60,451,372
Corporate Bonds	R0150	20,975,418
Structured notes	R0160	623,860
Collateralised securities	R0170	1,750,821
Collective Investments Undertakings	R0180	6,384,066
Derivatives	R0190	5,080,728
Deposits other than cash equivalents	R0200	2,944,195
Other investments	R0210	195,346
Assets held for index-linked and unit-linked contracts	R0220	27,760,646
Loans and mortgages	R0230	39,050,404
Loans on policies	R0240	418,906
Loans and mortgages to individuals	R0250	27,909,965
Other loans and mortgages	R0260	10,721,533
Reinsurance recoverables from:	R0270	813,737
Non-life and health similar to non-life	R0280	196,231
Non-life excluding health	R0290	192,420
Health similar to non-life	R0300	3,811
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	562,658
Health similar to life	R0320	21,951
Life excluding health and index-linked and unit-linked	R0330	540,707
Life index-linked and unit-linked	R0340	54,848
Deposits to cedants	R0350	9,125
Insurance and intermediaries receivables	R0360	834,751
Reinsurance receivables	R0370	153,673
Receivables (trade, not insurance)	R0380	231,149
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	1,219,930
Any other assets, not elsewhere shown	R0420	810,545
Total assets	R0500	182,927,435

Appendix 1 continued

		Solvency II value C0010
Liabilities		
Technical provisions – non-life	R0510	2,518,892
Technical provisions – non-life (excluding health)	R0520	2,212,129
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2,112,456
Risk margin	R0550	99,673
Technical provisions – health (similar to non-life)	R0560	306,762
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	290,348
Risk margin	R0590	16,415
Technical provisions – life (excluding index-linked and unit-linked)	R0600	119,636,496
Technical provisions – health (similar to life)	R0610	3,307,870
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	3,120,005
Risk margin	R0640	187,865
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	116,328,626
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	111,086,430
Risk margin	R0680	5,242,196
Technical provisions – index-linked and unit-linked	R0690	28,792,222
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	28,040,652
Risk margin	R0720	751,570
Other technical provisions	R0730	
Contingent liabilities	R0740	1,058
Provisions other than technical provisions	R0750	283,852
Pension benefit obligations	R0760	114,211
Deposits from reinsurers	R0770	320,740
Deferred tax liabilities	R0780	288,666
Derivatives	R0790	1,972,117
Debts owed to credit institutions	R0800	4,333,184
Financial liabilities other than debts owed to credit institutions	R0810	2,031,264
Insurance & intermediaries payables	R0820	1,564,529
Reinsurance payables	R0830	115,708
Payables (trade, not insurance)	R0840	911,705
Subordinated liabilities	R0850	4,416,669
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	4,416,669
Any other liabilities, not elsewhere shown	R0880	496,725
Total liabilities	R0900	167,798,039
Excess of assets over liabilities	R1000	15,129,395

Appendix 1 continued

S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compen- sation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	28	458,587		388,667	314,928	72,452	910,067	246,945	
Gross - Proportional reinsurance accepted	R0120	27	-120		1,007		-709	-2,108	581	-468
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		10,462		0	2,336	335	84,713	560	0
Net	R0200	54	448,005		389,674	312,592	71,409	823,245	246,966	-468
Premiums earned										
Gross - Direct Business	R0210	78	453,919		395,346	321,759	73,607	949,772	250,286	0
Gross - Proportional reinsurance accepted	R0220	28	-120		1,029		-708	-2,095	734	-468
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		9,932		0	2,336	335	81,359	686	0
Net	R0300	106	443,868		396,376	319,423	72,564	866,318	250,334	-468
Claims incurred										
Gross - Direct Business	R0310	77	334,162		354,960	179,463	29,244	580,780	146,702	0
Gross - Proportional reinsurance accepted	R0320	8	-33		737		1,406	1,605	-1,951	-345
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		6,532		1,005	1,463	-3,488	61,492	66	-904
Net	R0400	85	327,597		354,693	178,000	34,138	520,892	144,686	559
Changes in other technical provisions										
Gross - Direct Business	R0410		469							
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440		136							
Net	R0500		333							
Expenses incurred	R0550	19	139,079		158,933	108,199	31,394	371,005	120,440	-111
Other expenses	R1200									
Total expenses	R1300									

Appendix 1 continued

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	102,555	15,695	20,803					2,530,727
Gross - Proportional reinsurance accepted	R0120								-1,790
Gross - Non-proportional reinsurance accepted	R0130				220	1,953	82	709	2,964
Reinsurers' share	R0140	51,048	120	560		3,228	1,115	29,178	183,656
Net	R0200	51,506	15,574	20,243	220	-1,276	-1,033	-28,469	2,348,245
Premiums earned									
Gross - Direct Business	R0210	103,821	15,831	17,317					2,581,737
Gross - Proportional reinsurance accepted	R0220								-1,600
Gross - Non-proportional reinsurance accepted	R0230				220	1,953	82	709	2,964
Reinsurers' share	R0240	51,046	105	191		3,228	1,115	29,178	179,511
Net	R0300	52,775	15,726	17,126	220	-1,276	-1,033	-28,469	2,403,590
Claims incurred									
Gross - Direct Business	R0310	60,010	7,906	9,095					1,702,400
Gross - Proportional reinsurance accepted	R0320			-2,800					-1,372
Gross - Non-proportional reinsurance accepted	R0330				22	4,182	6,967	3,864	15,034
Reinsurers' share	R0340	27,676	44	947		143	3,946	6,774	105,697
Net	R0400	32,334	7,861	5,348	22	4,039	3,020	-2,911	1,610,365
Changes in other technical provisions									
Gross - Direct Business	R0410								469
Gross - Proportional reinsurance accepted	R0420								
Gross - Non-proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								136
Net	R0500								333
Expenses incurred	R0550	21,523	4,542	8,738		61	-26	-6	963,791
Other expenses	R1200								5,586
Total expenses	R1300								969,377

Appendix 1 continued

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts relating to health insurance obligations	Annuities stemming from non-life insurance contracts and obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	941,784	1,200,295	2,616,929	5,944,568			0	36,567	10,740,144
Reinsurers' share	R1420	22,839	45,049	578	223,686			613	1,414	294,180
Net	R1500	918,945	1,155,245	2,616,351	5,720,882			-613	35,154	10,445,964
Premiums earned										
Gross	R1510	955,210	1,198,965	2,617,028	5,943,160			0	36,567	10,750,932
Reinsurers' share	R1520	22,859	43,155	578	224,162			613	1,414	292,782
Net	R1600	932,351	1,155,810	2,616,450	5,718,999			-613	35,154	10,458,150
Claims incurred										
Gross	R1610	551,871	2,682,983	4,450,579	5,697,484			55,684	199,627	13,638,229
Reinsurers' share	R1620	17,104	41,440	4,510	83,261				969	147,285
Net	R1700	534,767	2,641,543	4,446,068	5,614,223			55,684	198,657	13,490,943
Changes in other technical provisions										
Gross	R1710	1,657	1,929,649	3,522,257	-825,386			1,087	-824,863	3,804,402
Reinsurers' share	R1720	-272	3,506	31	-65,840				-1,724	-64,299
Net	R1800	1,930	1,926,143	3,522,226	-759,546			1,087	-823,139	3,868,701
Expenses incurred	R1900	247,744	260,639	389,698	936,360			546	4,668	1,839,655
Other expenses	R2500									180,589
Total expenses	R2600									2,020,244

Appendix 1 continued

S.05.02.01 Premiums, claims and expenses by country

	Home country	Total for top 5 countries and home country (by amount of gross premiums written)						Total
		C0020	C0030	C0040	C0050	C0060		
		BE - Kingdom of Belgium	ES - Kingdom of Spain	RO - Romania	SK - Slovak Republic	PL - Republic of Poland		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	2,334,188	126,912	38,884	8,437	11,844	10,271	2,530,536
Gross - Proportional reinsurance accepted	R0120	3,764	-1	-858				2,905
Gross - Non-proportional reinsurance accepted	R0130	2,186					101	2,287
Reinsurers' share	R0140	166,882	808	9,981	4,829	61	1,095	183,656
Net	R0200	2,173,256	126,103	28,045	3,608	11,782	9,277	2,352,071
Premiums earned								
Gross - Direct Business	R0210	2,394,149	128,150	36,718	8,259	11,819	2,448	2,581,543
Gross - Proportional reinsurance accepted	R0220	3,957	-1	-860				3,096
Gross - Non-proportional reinsurance accepted	R0230	2,186					101	2,287
Reinsurers' share	R0240	164,059	808	9,634	4,829	61	120	179,511
Net	R0300	2,236,233	127,341	26,224	3,430	11,758	2,429	2,407,415
Claims incurred								
Gross - Direct Business	R0310	1,640,471	52,696	23,598	466	3,289	391	1,720,911
Gross - Proportional reinsurance accepted	R0320	-3,950	-1,473	2,181				-3,242
Gross - Non-proportional reinsurance accepted	R0330	5,820	5,411				228	11,459
Reinsurers' share	R0340	92,437	3,029	9,635	378	58	154	105,691
Net	R0400	1,549,905	53,605	16,143	87	3,231	464	1,623,435
Changes in other technical provisions								
Gross - Direct Business	R0410		611			-141		470
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440		136					136
Net	R0500		475			-141		334
Expenses incurred	R0550	892,518	57,234	6,926	862	1,074	6,087	964,701
Other expenses	R1200							9,370
Total expenses	R1300							974,071

Appendix 1 continued

		Home country	Total for top 5 countries and home country (by amount of gross premiums written)						Total
		C0020	C0030	C0040	C0050	C0060			
		EA - Eastern Asia	BE - Kingdom of Belgium	HE - Hellenic Republic	ES - Kingdom of Spain	PL - Republic of Poland			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140	
Premiums written									
Gross	R1410	4,242,973	3,629,338	929,975	409,548	502,387	354,942	10,069,163	
Reinsurers' share	R1420	36,025	189,835	12,469	3,835	42,443	2,293	286,900	
Net	R1500	4,206,949	3,439,504	917,506	405,713	459,943	352,649	9,782,264	
Premiums earned									
Gross	R1510	4,257,993	3,629,338	930,203	409,548	499,295	353,562	10,079,939	
Reinsurers' share	R1520	36,735	189,835	12,478	3,835	40,325	2,293	285,501	
Net	R1600	4,221,258	3,439,504	917,725	405,713	458,969	351,269	9,794,438	
Claims incurred									
Gross	R1610	6,701,702	4,100,796	1,306,390	227,846	517,847	253,133	13,107,714	
Reinsurers' share	R1620	55,013	38,946	9,659	3,154	37,015	1,047	144,834	
Net	R1700	6,646,689	4,061,849	1,296,731	224,691	480,831	252,086	12,962,877	
Changes in other technical provisions									
Gross	R1710	1,894,525	1,253,327	542,885	-107,377	107,122	55,508	3,745,990	
Reinsurers' share	R1720	19,862	-83,494	1,227	-286	117		-62,574	
Net	R1800	1,874,664	1,336,821	541,658	-107,091	107,005	55,508	3,808,565	
Expenses incurred	R1900	758,536	382,043	224,921	82,948	94,348	108,766	1,651,562	
Other expenses	R2500							107,489	
Total expenses	R2600							1,759,051	

Appendix 1 continued

S.22.01.22 Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	150,947,610	735,091	108,648	3,393,722	
Basic own funds	R0020	15,594,824	-227,301	-66,646	-2,673,581	
Eligible own funds to meet Solvency Capital Requirement	R0050	16,727,097	-227,301	-66,646	-2,673,581	
Solvency Capital Requirement ¹	R0090	7,274,028		3,535	6,511,642	

¹ This reflects the impact to set the volatility adjustment to zero; it does not reflect second order impacts, such as changes to LAC DT (which is kept constant).

Reference is made to Section D.2. (paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure') for more information on the impact of long term guarantees and transitional measures.

Appendix 1 continued

S.23.01.22 Own Funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	40,927	40,927			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	12,572,105	12,572,105			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070					
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	1,209,279	1,209,279			
Subordinated liabilities	R0140	4,416,669		1,894,669	2,522,000	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	766,147				766,147
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190	1,278,355	1,177,581		89,315	11,459
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210	94,660	94,660			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	1,322,027	1,322,027			
whereof deducted according to Article 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260	715,260	715,260			
Total of non-available own fund items	R0270	1,373,016	1,272,241		89,315	11,459
Total deductions	R0280	3,410,302	3,309,527		89,315	11,459
Total basic own funds after deductions	R0290	15,594,824	10,512,783	1,894,669	2,432,686	754,688

Appendix 1 continued

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investments fund managers, UCITS management companies	R0410	207,336	207,336			
Institutions for occupational retirement provision	R0420	209,677	209,677			
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	417,013	417,013			
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	715,260	715,260			
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	715,260	715,260			
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	15,594,824	10,512,783	1,894,669	2,432,686	754,688
Total available own funds to meet the minimum consolidated group SCR	R0530	14,840,137	10,512,783	1,894,669	2,432,686	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	15,594,824	10,512,783	1,894,669	2,432,686	754,688
Total eligible own funds to meet the minimum consolidated group SCR	R0570	13,078,936	10,512,783	1,894,669	671,485	
Consolidated Group SCR	R0590	6,993,315				
Minimum consolidated Group SCR	R0610	3,357,425				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	2.34				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	3.90				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	16,727,097	11,645,056	1,894,669	2,432,686	754,688
SCR for entities included with D&A method	R0670	280,713				
Group SCR	R0680	7,274,028				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	2.30				

Appendix 1 continued

Reconciliation reserve

		C0060
Reconciliation reserve		Amount
Excess of assets over liabilities	R0700	15,129,394
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	540,937
Other basic own fund items	R0730	13,379,179
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve	R0760	1,209,279
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,871,083
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	96,863
Total Expected profits included in future premiums (EPIFP)	R0790	1,967,946

Appendix 1 continued

S.25.02.22 Solvency Capital Requirement – for groups using the Standard Formula and Partial Internal Model

Unique number of component/ Components description C0010/ C0020	Allocation from adjustments due to RFF and Matching adjustments portfolios		Consideration of the future management actions regarding technical provisions and/or deferred taxes		Amount modelled
	Calculation of the Solvency Capital Requirement	C0030	C0050	C0060	C0070
Market Risk (SF)		750,406			750,406
Market Risk (PIM)		3,304,341			3,304,341
Counterparty Default Risk (SF)		143,314			143,314
Counterparty Default Risk (PIM)		130,648			130,648
Life Underwriting Risk (SF)		866,073			866,073
Life Underwriting Risk (PIM)		4,620,499			4,620,499
Health Underwriting Risk (SF)		156,333			156,333
Health Underwriting Risk (PIM)		345,251			345,251
Non-life Underwriting Risk (SF)		104,060			104,060
Non-life Underwriting Risk (PIM)		572,388			572,388
Operational Risk (SF)		117,705			117,705
Operational Risk (PIM)		541,556			541,556
Operational Risk (non-modelled SII entities)		91,689			
LAC TP (SF)		-47,442			-47,442
LAC TP (PIM)		-54,087			-54,087
LAC DT (SF)		-185,224			-185,224
LAC DT (PIM)		-1,270,367			-1,270,367

NN Group did not use undertaking specific parameters or simplifications in determining the components of the Standard Formula as set out above to ensure alignment, SRC for Non Modelled Solvency II entities has been linked in C0100 to the category Operational Risk.

The diversification in this QRT is across the main risk categories for Internal Model and Standard Formula entities.

Appendix 1 continued

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	10,187,142
Diversification	R0060	-3,419,712
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	6,767,430
Capital add-ons already set	R0210	10
Solvency capital requirement for undertakings under consolidated method	R0220	6,993,315
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-101,529
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-1,455,590
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	
Net future discretionary benefits	R0460	
Minimum consolidated group solvency capital requirement	R0470	3,357,425
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	225,875
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	93,579
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	132,296
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	280,713
Solvency capital requirement	R0570	7,274,028

Appendix 1 continued

S.32.01.22 Undertakings in the scope of the group

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Belgium	549300P1862 TXMOYEB58	LEI	NN Insurance Belgium NV	Life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Belgium	549300GVZD NBP9CS7220	LEI	NN Insurance Services Belgium NV	Non-life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Greece	21380015K5G PXUGHWP21	LEI	NN Hellenic Life Insurance Co. S.A.	Life insurer	S.A.	Non-mutual	Bank of Greece
Hungary	213800LJXKN QGWIT7748	LEI	NN Biztosító Zártkörűen Működő Részvénytársaság	Life insurer	Részvénytárs aság	Non-mutual	National Bank of Hungary
Netherlands	72450089HO KNKBXZW470	LEI	NN Non-Life insurance N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	54930050LBZ UR4138172	LEI	NN Re (Netherlands) N.V.	Reinsurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500ZSI5V WIQ5PA676	LEI	Movir N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	7245000CR0L NYKWUS634	LEI	Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500L7T6JR 7V9SIO28	LEI	Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Poland	259400RZ393 3F1O8K604	LEI	Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurer	S.A.	Non-mutual	Financial Supervisory Authority Poland
Romania	549300GK7Z9 RSNNVFB27	LEI	NN Asigurari de Viata S.A.	Life insurer	S.A.	Non-mutual	Financial Supervisory Authority Romania
Slovakia	3157008IZ14Z P307A433	LEI	NN Životná poisťovňa, a.s.	Life insurer	A.S.	Non-mutual	National Bank of Slovakia
Spain	9598008SSV GKRKJMW9 2	LEI	Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	Non-life insurer	S.A.	Non-mutual	General Directorate of Insurance and Pensions
Spain	95980020140 005328872	LEI	Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurer	S.A.	Non-mutual	General Directorate of Insurance and Pensions
United Kingdom	213800OPBG OC17TTI569	LEI	Nationale-Nederlanden Internationale Schadeverzekering SE	Non-life insurer	SE	Non-mutual	Prudential Regulation Authority
Japan	549300Z97MF LU58LWK39	LEI	NN Life Insurance Company, Ltd.	Life insurer	Ltd.	Non-mutual	Financial Service Agency
Turkey	491142.2	SC	NN Hayat ve Emeklilik A.Ş.	Life insurer	A.S.	Non-mutual	Undersecretariat of Treasury
Romania	J40/475/1997. 2	SC	NN 3rd pillar pension Romania	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Romania
Slovakia	35902981	SC	NN dôchodková správcovska spoločnosť, a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	National Bank of Slovakia

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Romania	J40/9766/2007	SC	NN Pensii Societate de Administrare a unui Fond de Pensii Administrat Privat S.A.	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Romania
Bulgaria	7644/98	SC	NN Pensionno-Osigoritelno Druzestvo EAD	Institutions for occupational retirement provision	EAD	Non-mutual	Financial Supervisory Commission
Czech Republic	315700R2GW HJJLOF7381	LEI	NN Penzijní společnost, a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	Central Bank of the Czech Republic (CNB)
Poland	259400ETK4 Q7BA75MU17	LEI	Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A.	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Poland
Slovakia	35976853	SC	NN Tatry - Sympatia, d.d.s., a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	National Bank of Slovakia
Hungary	01-10-043980	SC	NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Részvénytársaság	Non-mutual	N.A. (Undertaking not regulated)
Turkey	863257	SC	Sigorta Ofisi Plus Aracılık Hizmetleri A.Ş.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500BICUQ OLF1AH770	LEI	Nationale-Nederlanden Bank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	27093787	SC	Zicht B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	Autoriteit Financiële Markten (AFM)
Poland	KRS 27325	SC	Nationale-Nederlanden Usługi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o. o.)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	Financial Supervisory Authority Poland
Netherlands	33002043	SC	Nationale-Nederlanden Intertrust B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	30107623	SC	Private Equity Investments II B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	27068646	SC	Wijkertunnel Beheer I B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	7245002XM4Y OLBZ60634	LEI	REI Investment I B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	56522525	SC	Private Equity Investments B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	59293012	SC	Korea Investment Fund B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	549300NOHH GLT70MM602	LEI	NN Investment Partners Holdings N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	62094114	SC	Private Debt Investments B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	549300NC3S ZTETC10349	LEI	Nationale-Nederlanden Interfinance B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	27193850	SC	NN Insurance Support Nederland B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33262127	SC	Nationale-Nederlanden Holdinvest B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500OHYN DT9OY6Q215	LEI	NN Group N.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500LSEY WJHXZ58E54	LEI	NN Insurance International B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500G2BU PAFMEITB30	LEI	NN Insurance Eurasia N.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33231790	SC	Nationale-Nederlanden Nederland B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
United Kingdom	02634701	SC	Nationale-Nederlanden Overseas Finance and Investment Company	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500MXAV UOTVWT2A46	LEI	NN Continental Europe Holdings B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	57489408	SC	Infrastructure Debt Investments B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	14047914	SC	AZL N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Czech Republic	64573729	SC	NN Management Services, s.r.o	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	27193814	SC	NN Insurance Personeel B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Ireland	258798	SC	NN Operations (Ireland) Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd.	Non-mutual	N.A. (Undertaking not regulated)
Hungary	01-09-708350	SC	NN RAS Kockázatelemzési és Aktuárius Szolgáltató Korlátolt Felelősségű Társaság	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Poland	0000324689	SC	Notus Finanse S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Poland	0000647311	SC	Nationale-Nederlanden Towarzystwo Ubezpieczeń S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Hungary	01-09-913176	SC	NN Pénzügyi Tanácsadó Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Greece	12244920300 0	SC	NN Hellenic Insurance Brokerage S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	68034229	SC	Sparklab B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Belgium	0832.066.988	SC	CINSA N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	137688-5	SC	Orange Plus Sigorta Brokerliği A.S.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	71769609	SC	REI Diaphane Holding B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25618	SC	REI Diaphane Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	27330069	SC	NN Claims Services B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	7245004GRXE QMAFHLV35	LEI	Amstelhuys N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	CE090000000 00	SC	Delta Lloyd Services B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	0950600000 00	SC	Cyrte Investments B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	CE000130000 0	SC	Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	05071891	SC	Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	10000000000 0	SC	OHRA Hypotheken Fonds N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	18115656	SC	Distributie Zorgverzekeringen B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500C0318 G5NC49U52	LEI	Delta Lloyd Schadeverzekering N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	72450040C5A 07ZIA327	LEI	Delta Lloyd Levensverzekering N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	01005008001 0	SC	Delta Lloyd Vastgoed Ontwikkeling B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500HLQ2 Q30059FD13	LEI	BeFrank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	01005090010 0	SC	BeFrank PPI N.V.	Institutions for occupational retirement provision	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	07005006000 0	SC	Delta Lloyd Life VRF I B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	07005005000 0	SC	Delta Lloyd Life Invest (Belgium) NV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	03004100000 0	SC	ABN AMRO Verzekeringen B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500FWP7 OWHQUBMZ6 2	LEI	ABN AMRO Levensverzekering N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	03003100000 0	SC	ABN AMRO Assuradeuren B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500G3PJT YPL2L9M11	LEI	ABN AMRO Schadeverzekering N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	5493001QST0 I7Z235S79	LEI	NN Investment Partners International Holdings B.V.	Credit institutions, investment firms and financial institutions	B.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	549300YXQ0 Y6SPQTPE40	LEI	NN Investment Partners B.V.	Credit institutions, investment firms and financial institutions	B.V.	Non-mutual	De Nederlandsche Bank (DNB)
Malaysia	4047	SC	IFB Management Holdings Sdn Bhd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sdn Bhd	Non-mutual	N.A. (Undertaking not regulated)
Czech Republic	24265870	SC	NN Finance s.r.o	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o.	Non-mutual	N.A. (Undertaking not regulated)
Romania	J40/9811/1999	SC	NN Lease SRL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	Non-mutual	N.A. (Undertaking not regulated)
Mexico	70077-9	SC	Conglomerado de Valores, S.A. de C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A. de C.V.	Non-mutual	N.A. (Undertaking not regulated)
Mexico	272255	SC	Covasa Servicios México, S.A. de C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/36	S.A. de C.V.	Non-mutual	N.A. (Undertaking not regulated)
Spain	V87154407	SC	Nationale Nederlanden Services, A.I.E.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.I.E.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24741	SC	CBRE Dutch Office Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Guernsey	23778	SC	CBRE Retail Property Fund Iberica L.P.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	L.P.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24931	SC	CBRE Dutch Retail Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32136045	SC	Parcom Investment Fund II B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
United Kingdom	23787	SC	CBRE UK Property Fund PAIF	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	L.P.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	25506	SC	CBRE Dutch Residential fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32136043	SC	Parcom Investment Fund III B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32136043	SC	PGIH Beheer B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23783	SC	CBRE Property Fund Central and Eastern Europe FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23772	SC	CBRE European Industrial Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Hungary	01-09-929987	SC	Allee center Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Italy	12806290156	SC	Fiumaranuova s.r.l.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.R.L.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	34363412	SC	Parcom Buy Out Fund IV B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Italy	549300SYDR SAP88SFX73	LEI	Boccaccio - Closed-end Real Estate Mutual Investment Fund	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Mutual Investment Fund	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24857	SC	Dutch Student and Young Professional Housing Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Luxembourg	B210769	SC	The Fizz Student Housing Fund SCS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SCS	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24932	SC	CBRE Dutch Retail Fund II FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24823	SC	Robeco Bedrijfsleningenfonds	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Besloten fonds voor gemene rekening	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25516	SC	Achmea Dutch Health Care Property Fund	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Germany	HRA 43630	SC	Delta Mainlog Holding GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Spain	25496	SC	Siresa House S.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.L.	Non-mutual	N.A. (Undertaking not regulated)
France	420 292 047 R.C.S Paris	SC	Le Havre LaFayette	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SNC	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23775	SC	CBRE Retail Property Fund France Belgium C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23782	SC	CBRE European Office Fund C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	529900A8S3 UCVRGEL132	LEI	CBRE Logistics Property Fund Europe C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23773	SC	CBRE Retail Property Partnership Southern Europe C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23781	SC	CBRE Italian Retail Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23774	SC	CBRE Nordic Property Fund F.G.R.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23780	SC	CBRE Iberian Value Added Fund C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23791	SC	DOF Development Fund C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25507	SC	CBRE Dutch Residential Fund II FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/36	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24742	SC	CBRE Dutch Office Fund The Netherlands FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49760	SC	DEOS REI Germany Cross Docks 1 - Würselen GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Germany	HRA 49776	SC	DEOS REI Germany Cross Docks 2 - Hamm- Uentrop GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49761	SC	DEOS REI Germany Cross Docks 3 - Essen GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49762	SC	DEOS REI Germany Cross Docks 4 - Moers GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49763	SC	DEOS REI Germany Cross Docks 5 - Holzgerlingen GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49777	SC	DEOS REI Germany Cross Docks 6 - Kassel GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49778	SC	DEOS REI Germany Cross Docks 7 - Brühl GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49764	SC	DEOS REI Germany Cross Docks 8 - Freiburg GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49765	SC	DEOS REI Germany Cross Docks 9 - Dortmund GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49766	SC	DEOS REI Germany Cross Docks 10 - Lörrach GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32132285	SC	Parcom Investment Fund I B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	64770672	SC	Parcom Buy-Out Fund V C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500AM4M YHCTRLF551	LEI	N.V. Levensverzekering- Maatschappij "De Hoop"	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Luxembourg	B187738	SC	Valin Mittelstand Senior Debt Fund S.A. - SICAV SIF	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SICAV SIF	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33046284	SC	DAP Holding N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
France	9695007C09I 6DB3ER958	LEI	Parquest Capital B FPCI	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FPCI	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33243605	SC	Wijkertunnel Beheer III B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500FK6HE 2QUL3B962	LEI	de Vereende N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	32076168	SC	Keerpunt B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Spain	A85261295	SC	Inmoalemania Gestión de Activos Inmobiliarios S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	749110	SC	Konut Kredisi Com Tr Danismanlik A.S.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Germany	25586	SC	IVZ Immobilien GmbH & Co H3H KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	25209	SC	DEOS REI Germany Cross Docks GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25286	SC	Dutch Urban Living Venture FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32147455	SC	Dasym Investments IV B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32147459	SC	Dasym Investments V B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 98197	SC	DPE Deutschland II B GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 105795	SC	DPE Deutschland III B (Parallel) GmbH & Co	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
France	9695007C09I 6DB3ER958	LEI	Parquest Capital II B FPCI	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FPCI	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Country C0010	Identification code of entity C0020	Type of code of the ID of the Under- taking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	25668	SC	Vesteda Residential Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Spain	25660	SC	Lazora S.I.I. S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Luxembourg	25662	SC	MTech GP (EU) S.À RL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.R.L.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	13025147	SC	Visschers & Corten Beheer B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	67298141	SC	NL Boompjes Property 5 C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	828074	SC	Makinist Vip Sigorta Aracılık Hizmetleri A.Ş.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	863257	SC	Orange Sigorta Aracılık Hizmetleri A.S.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	161178	SC	Ünlem Sigorta Aracılık Hizmetleri A.Ş.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32122988	SC	Dasym Edam Holding B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32116673	SC	Cyrte Fund I Investment CV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	50641050	SC	Dasym EDAM Holding CV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of		% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	% capital share	consolidated accounts							
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Insurance Belgium NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Services Belgium NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Hellenic Life Insurance Co. S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Biztosító Zártkörűen Működő Részvénytársaság	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Non-Life insurance N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Re (Netherlands) N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Movir N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Asigurari de Viata S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Životná poisťovňa, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros, S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Internationale Schadeverzekering SE	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Life Insurance Company, Ltd.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 2: Local rules
NN Hayat ve Emeklilik A.Ş.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% used for the establishment of consolidated accounts	% voting rights	% capital share	% used for the establishment of consolidated accounts	% voting rights			
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
NN 3rd pillar pension Romania	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN dôchodková správcovská spoločnosť, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Pensii Societate de Administrare a unui Fond de Pensii Administrat Privat S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Pensionno-Osigoritelno Druzestvo EAD	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Penzijní společnost, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Tatry - Sympatia, d.d.s., a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Sigorta Ofisi Plus Aracılık Hizmetleri A.Ş.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Bank N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Zicht B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Usługi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o. o)	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Intertrust B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Private Equity Investments II B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Wijkertunnel Beheer I B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
REI Investment I B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% voting rights		% capital share	% voting rights				
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
Private Equity Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Korea Investment Fund B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Investment Partners Holdings N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Private Debt Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Interfinance B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Support Nederland B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Holdinvest B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Group N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance International B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Eurasia N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Nederland B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Overseas Finance and Investment Company	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Continental Europe Holdings B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Infrastructure Debt Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
AZL N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Management Services, s.r.o	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Personeel B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% capital share	% voting rights	% capital share	% capital share	% voting rights			
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
NN Operations (Ireland) Limited	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN RAS Kockázatelemzési és Aktuárius Szolgáltató Korlátolt Felelősségű Társaság	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Notus Finanse S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Towarzystwo Ubezpieczeń S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Pénzügyi Tanácsadó Kft.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Hellenic Insurance Brokerage S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Sparklab B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
CINSA N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Orange Plus Sigorta Brokerliği A.S.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
REI Diaphane Holding B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
REI Diaphane Fund FGR	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Claims Services B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Amstelhuys N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Services B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Cyrte Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% used for the establishment of consolidated accounts	% voting rights	% capital share	% used for the establishment of consolidated accounts	% voting rights			
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
OHRA Hypotheken Fonds N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Distributie Zorgverzekeringen B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Schadeverzekering N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Levensverzekering N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Vastgoed Ontwikkeling B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
BeFrank N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
BeFrank PPI N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Delta Lloyd Life VRF I B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Life Invest (Belgium) NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Verzekeringen B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Levensverzekering N.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Assuradeuren B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Schadeverzekering N.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Investment Partners International Holdings B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Investment Partners B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
IFB Management Holdings Sdn Bhd	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Finance s.r.o	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Lease SRL	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence					Inclusion in the scope of Group supervision	Group solvency calculation		
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% used for the establishment of consolidated accounts	% voting rights		% capital share	% consolidated accounts	% voting rights	% capital share	
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
Conglomerado de Valores, S.A. de C.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Covasa Servicios México, S.A. de C.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Services, A.I.E.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
CBRE Dutch Office Fund FGR	27.91	27.91	27.91		Significant	27.91	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Retail Property Fund Iberica L.P.	33.47	33.47	33.47		Significant	33.47	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Retail Fund FGR	19.77	19.77	19.77		Significant	19.77	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Investment Fund II B.V.	100.00	100.00	100.00		Significant	100.00	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE UK Property Fund PAIF	9.59	9.59	9.59		Significant	9.59	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Residential fund FGR	10.17	10.17	10.17		Significant	10.17	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Investment Fund III B.V.	100.00	100.00	100.00		Significant	100.00	Included into scope of group supervision		Method 1: Adjusted equity method
PGIH Beheer B.V.	65.46	100.00	65.46		Significant	65.46	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Property Fund Central and Eastern Europe FGR	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE European Industrial Fund FGR	18.86	18.86	18.86		Significant	18.86	Included into scope of group supervision		Method 1: Adjusted equity method
Allee center Kft.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Fiumaranuova s.r.l.	49.90	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Buy Out Fund IV B.V.	99.50	99.50	99.50		Significant	99.50	Included into scope of group supervision		Method 1: Adjusted equity method
Boccaccio - Closed-end Real Estate Mutual Investment Fund	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Dutch Student and Young Proffessional Housing Fund FGR	49.32	49.32	49.32		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence					Inclusion in the scope of Group supervision		Group solvency calculation	
	% used for the establishment of			% used for the establishment of		% voting rights	% capital share		
	% capital share	consolidated accounts	% voting rights	% capital share	consolidated accounts				
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
The Fizz Student Housing Fund SCS	49.50	49.50	49.50	Significant	49.50		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Retail Fund II FGR	10.00	10.00	10.00	Significant	10.00		Included into scope of group supervision		Method 1: Adjusted equity method
Robeco Bedrijfsleningenfonds	23.58	23.58	23.58	Significant	23.58		Included into scope of group supervision		Method 1: Adjusted equity method
Achmea Dutch Health Care Property Fund	23.50	23.50	23.50	Significant	23.50		Included into scope of group supervision		Method 1: Adjusted equity method
Delta Mainlog Holding GmbH & Co. KG	49.50	49.50	49.50	Significant	49.50		Included into scope of group supervision		Method 1: Adjusted equity method
Siresa House S.L.	48.50	48.50	48.50	Significant	48.50		Included into scope of group supervision		Method 1: Adjusted equity method
Le Havre LaFayette	50.00	50.00	50.00	Significant	50.00		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Retail Property Fund France Belgium C.V.	15.00	15.00	15.00	Significant	15.00		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE European Office Fund C.V.	17.31	17.31	17.31	Significant	17.31		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Logistics Property Fund Europe C.V.	25.00	25.00	25.00	Significant	25.00		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Retail Property Partnership Southern Europe C.V.	21.45	21.45	21.45	Significant	21.45		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Italian Retail Fund FGR	25.55	25.55	25.55	Significant	25.55		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Nordic Property Fund F.G.R.	14.25	14.25	14.25	Significant	14.25		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Iberian Value Added Fund C.V.	12.50	12.50	12.50	Significant	12.50		Included into scope of group supervision		Method 1: Adjusted equity method
DOF Development Fund C.V.	16.90	16.90	16.90	Significant	16.90		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Residential Fund II FGR	10.00	10.00	10.00	Significant	10.00		Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Office Fund The Netherlands FGR	28.25	28.25	28.25	Significant	28.25		Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			C0040	% used for the establishment of consolidated accounts				
	% capital share	% used for the establishment of consolidated accounts	% voting rights		% capital share	% consolidated accounts			
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
DEOS REI Germany Cross Docks 1 - Würselen GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 2 - Hamm-Uentrop GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 3 - Essen GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 4 - Moers GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 5 - Holzgerlingen GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 6 - Kassel GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 7 - Brühl GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 8 - Freiburg GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 9 - Dortmund GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 10 - Lörrach GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Investment Fund I B.V.	100.00	100.00	100.00		Significant	100.00	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Buy-Out Fund V C.V.	21.29	21.29	21.29		Significant	21.29	Included into scope of group supervision		Method 1: Adjusted equity method
N.V. Levensverzekering-Maatschappij "De Hoop"	33.33	33.33	33.33		Significant	33.33	Included into scope of group supervision		Method 1: Adjusted equity method
Valin Mittelstand Senior Debt Fund S.A. - SICAV SIF	31.67	31.67	31.67		Significant	31.67	Included into scope of group supervision		Method 1: Adjusted equity method
DAP Holding N.V.	31.66	31.66	31.66		Significant	31.66	Included into scope of group supervision		Method 1: Adjusted equity method
Parquest Capital B FPCI	39.40	39.40	39.40		Significant	39.40	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			% used for the establishment of consolidated accounts					
	% capital share	% used for the establishment of consolidated accounts	% voting rights	% capital share	% used for the establishment of consolidated accounts	% voting rights			
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
Wijkertunnel Beheer III B.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
de Vereende N.V.	44.66	44.66	44.66		Significant	44.66	Included into scope of group supervision		Method 1: Adjusted equity method
Keerpunt B.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Inmoalemania Gestión de Activos Inmobiliarios S.A.	20.00	20.00	20.00		Significant	20.00	Included into scope of group supervision		Method 1: Adjusted equity method
Konut Kredisi Com Tr Danismanlik A.S.	17.86	17.86	17.86		Significant	17.86	Included into scope of group supervision		Method 1: Adjusted equity method
IVZ Immobilien GmbH & Co H3H KG	47.50	47.50	47.50		Significant	47.50	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks GmbH	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Dutch Urban Living Venture FGR	48.61	48.61	48.61		Significant	48.61	Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Investments IV B.V.	40.07	40.07	40.07		Significant	40.07	Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Investments V B.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DPE Deutschland II B GmbH & Co. KG	33.95	33.95	33.95		Significant	33.95	Included into scope of group supervision		Method 1: Adjusted equity method
DPE Deutschland III B (Parallel) GmbH & Co	16.67	16.67	16.67		Significant	16.67	Included into scope of group supervision		Method 1: Adjusted equity method
Parquest Capital II B FPCI	29.13	29.13	29.13		Significant	29.13	Included into scope of group supervision		Method 1: Adjusted equity method
Vesteda Residential Fund FGR	26.71	26.71	26.71		Significant	26.71	Included into scope of group supervision		Method 1: Adjusted equity method
Lazora S.I.I. S.A.	22.10	22.10	22.10		Significant	22.10	Included into scope of group supervision		Method 1: Adjusted equity method
MTech GP (EU) S.À R.L	33.00	33.00	33.00		Significant	33.00	Included into scope of group supervision		Method 1: Adjusted equity method
Visschers & Corten Beheer B.V.	49.02	49.02	49.02		Significant	49.02	Included into scope of group supervision		Method 1: Adjusted equity method
NL Boompjes Property 5 C.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1 continued

Legal Name of the undertaking	Criteria of influence						Inclusion in the scope of Group supervision	Group solvency calculation	
	% used for the establishment of consolidated accounts			C0040	% used for the establishment of consolidated accounts				
	% capital share	% voting rights	% capital share		% voting rights				
C0040	C0180	C0190	C0200	C0040	C0180	C0190	C0200	C0040	C0180
Makinist Vip Sigorta Aracılık Hizmetleri A.Ş.	50.00	50.00	50.00	Significant	50.00		Included into scope of group supervision		Method 1: Adjusted equity method
Orange Sigorta Aracılık Hizmetleri A.S.	100.00	100.00	100.00	Significant	100.00		Included into scope of group supervision		Method 1: Adjusted equity method
Ünlem Sigorta Aracılık Hizmetleri A.Ş.	50.00	50.00	50.00	Significant	50.00		Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Edam Holding B.V.	12.17	12.17	12.17	Significant	12.17		Included into scope of group supervision		Method 1: Adjusted equity method
Cyrte Fund I Investment CV	21.81	21.81	21.81	Significant	21.81		Included into scope of group supervision		Method 1: Adjusted equity method
Dasym EDAM Holding CV	5.20	5.20	5.20	Significant	5.20		Included into scope of group supervision		Method 1: Adjusted equity method

Contact and legal information

Prepared by

NN Group Corporate Relations

Design and production

Radley Yeldar | ry.com

Contact us

NN Group N.V.
Schenkade 65
2595 AS Den Haag
The Netherlands
P.O. Box 90504, 2509 LM Den Haag
The Netherlands
www.nn-group.com

Commercial register, no. 52387534

For further information on NN Group, please visit our corporate website or contact us via external.communications@nn-group.com

[For further information on NN Group's sustainability strategy, policies and performance, please visit www.nn-group.com/in-society.htm or contact us via sustainability@nn-group.com]

Disclaimer

NN Group's Consolidated annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and with Part 9 of Book 2 on the Dutch Civil Code.

In preparing the financial information in this document, the same accounting principles are applied as in the 2018 NN Group Consolidated annual accounts, except as indicated in chapter D 'Valuation for Solvency Purposes' of the 2018 Solvency and Financial Condition Report.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements in this 2018 SFCR are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) breakup of the eurozone, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations, (13) changes in the policies of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Group of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies (18) catastrophes and terrorist-related events, (19) adverse developments in legal and other proceedings and (20) the other risks and uncertainties detailed in the Risk management section and/or contained in recent public disclosures made by NN Group and/or related to NN Group and/or related to NN Group.

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

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

© 2019 NN Group N.V.

NN Group N.V.
Schenkkade 65
2595 AS en Haag
P.O. Box 90504, 2509 LM Den Haag
The Netherlands
www.nn-group.com

