

Facts and figures

Consolidated balance sheet

As at 31 December

Amounts in millions of euros, unless stated otherwise

	notes	2017	2016
Assets			
Cash and cash equivalents	2	9,383	8,634
Financial assets at fair value through profit or loss:	3		
– investments for risk of policyholders		33,508	30,711
– non-trading derivatives		5,116	4,421
– designated as at fair value through profit or loss		934	873
Available-for-sale investments	4	104,982	79,767
Loans	5	56,343	33,920
Reinsurance contracts	17	880	231
Associates and joint ventures	6	3,450	2,698
Real estate investments	7	3,582	2,028
Property and equipment	8	150	86
Intangible assets	9	1,841	342
Deferred acquisition costs	10	1,691	1,631
Assets held for sale	11		6
Deferred tax assets	33	125	35
Other assets	12	5,077	3,117
Total assets		227,062	168,500
Equity			
Shareholders' equity (parent)		22,718	22,695
Minority interests		317	12
Undated subordinated notes		1,764	986
Total equity	13	24,799	23,693
Liabilities			
Subordinated debt	14	2,468	2,288
Debt securities issued	15	1,988	598
Other borrowed funds	16	7,991	7,646
Insurance and investment contracts	17	163,639	115,708
Customer deposits and other funds on deposit	18	14,434	10,224
Financial liabilities at fair value through profit or loss:	19		
– non-trading derivatives		2,305	2,008
Liabilities held for sale	11		2
Deferred tax liabilities	33	1,830	2,979
Other liabilities	20	7,608	3,354
Total liabilities		202,263	144,807
Total equity and liabilities		227,062	168,500

Amounts for 2016 have been restated for the change in NN Group's accounting policy for the Reserve Adequacy Test. Reference is made to Note 1 'Accounting policies' for more details. References relate to the notes starting with Note 1 'Accounting policies' of the Financial Report. These form an integral part of the Consolidated annual accounts.

Facts and figures Continued

Consolidated profit and loss account For the year ended 31 December

	notes	2017	2017	2016	2016
Gross premium income	21		12,060		9,424
Investment income	22		5,275		3,801
Result on disposals of group companies			-150		-114
– gross fee and commission income		1,187		936	
– fee and commission expenses		-382		-340	
Net fee and commission income	23		805		596
Valuation results on non-trading derivatives	24		-513		14
Foreign currency results and net trading income			-138		-90
Share of result from associates and joint ventures	6		399		377
Other income			78		60
Total income			17,816		14,068
– gross underwriting expenditure		14,140		11,590	
– investment result for risk of policyholders		-1,622		-1,156	
– reinsurance recoveries		-187		-116	
Underwriting expenditure	25		12,331		10,318
Intangible amortisation and other impairments	26		118		19
Staff expenses	27		1,517		1,174
Interest expenses	28		335		345
Other operating expenses	29		991		749
Total expenses			15,292		12,605
Result before tax			2,524		1,463
Taxation	33		392		273
Net result			2,132		1,190

Amounts for 2016 have been restated for the changed classification of interest income/expense on derivatives for which no hedge accounting is applied. Reference is made to Note 1 'Accounting policies' for more details.

Key financial and non-financial indicators

Financial indicators (in EUR million)

	2017	2016	2015
Operating result ongoing business	1,586	1,227	1,435
Net result (after minority interests)	2,110	1,189	1,565
Net Operating ROE	10.3%	8.1%	10.8%
Solvency II ratio	199%	241%	239%
Value of new business	345	214	202
Assets under Management (end of period, in EUR billion)	246	195	187
Dividend proposal (per ordinary share, in EUR)	1.66	1.55	1.51
NN Group share price (COB 31 December 2017, in EUR)	36.12	32.20	32.55

Key non-financial indicators

	2017	2016	2015
Customer satisfaction and loyalty			
– insurance business units using NPS	100%	100%	100%
– insurance business units scoring on/above level previous year	91%	95%	n.a.
– insurance business units scoring on/above market average	100%	n.a.	95%
Countries/business units offering tools improving financial decision-making (#)	13	13	13
Assets under Management in SRI funds or mandates (end of period – in EUR million)	10,852	5,062	4,509
– as part of the total Assets under Management	4.4%	2.6%	2.4%
Employee engagement score	66%	71%	73%
– participation in the engagement survey	73%	86%	84%
Total donations to charitable organisations (x EUR 1,000) ¹	2,400	1,500	1,500

¹ Includes cash donations to charitable causes, corporate foundations and partnerships.

Sustainability ratings

	2017	2016	2015
Sustainalytics (position/# insurance companies)	3/145 (Leader)	13/151 (Outperformer)	13/149 (Outperformer)
Oekom	C (Prime)	C (Prime)	C (Prime)
Carbon Disclosure Project	C	B	95C
Dow Jones Sustainability Index (out of 100)	80 (Included)	77	68
FTSE4Good	Included	Included	Included
Dutch Transparency Benchmark (out of 200)	183	176	157

Key financial and non-financial indicators Continued

Customer-related indicators (in EUR million)

	2017	2016	2015
Total claims and benefits paid	15,772	11,681	14,225
New sales life insurance (APE)	1,791	1,386	1,295
Gross premium income	12,060	9,424	9,205

Responsible investment indicators (in EUR million)

	2017	2016	2015
Assets under Management in SRI funds and mandates (end of period)	10,852	5,062	4,509
– as part of total Assets under Management NN Investment Partners	4.4%	2.6%	2.4%
Funds			
– NN Duurzaam Aandelen Fonds	734	679	682
– NN (L) European Sustainable Equity Fund	308	91	148
– NN (L) Global Sustainable Equity Fund	1,717	673	544
– NN Global Sustainable Opportunities Fund	263	265	–
– NN (L) Global Equity Impact Opportunities	368	–	–
– Delta Lloyd Equity Sustainable Global Fund	2,942	–	–
– NN (L) Euro Sustainable Credit (excluding Financials)	679	587	471
– NN (L) Euro Sustainable Credit (including Financials)	117	96	85
– NN (L) Euro Green Bond Fund	173	61	–
– NN (L) Patrimonial Balanced European Sustainable	234	102	–
Subtotal	7,534	2,554	1,930
Mandates			
– Sustainable Fixed Income Mandates	1,319	1,038	1,548
– European Sustainable Equity Mandates	387	349	333
– Global Sustainable Equity Mandates	1,612	1,121	699
Subtotal	3,318	2,508	2,580
Total	10,852	5,062	4,509
Voting			
Shareholders meetings where we voted (#) ¹	1,507	1,437	2,013
– as % of total votable meetings	97%	94%	96%
Agenda items on which we voted (#)	18,978	18,335	26,580
How we voted on agenda items (%)			
– for	89.6%	90.1%	89.7%
– against	10.1%	9.6%	10.2%
– abstain	0.3%	0.3%	0.3%
Countries where we voted (#)	54	51	52
Shareholder resolutions on which we voted by topic	348	347	532
– environmental	56	54	67
– social	74	73	98
– governance	218	220	367
GRESB Real Estate and Debt Assessment scores²			
Private real estate – portfolio average (vs. benchmark average)	74 (61)	72 (59)	66 (55)
Commercial real estate debt – portfolio average (vs. peer average)	68 (55)	–	–

¹ Excludes voting related to Delta Lloyd assets.

² NN calculates the GRESB scores on a value-weighted basis, and compares these to the relevant benchmark average. Scores are on a scale of 1 to 100. The real estate portfolios are part of NN Group's proprietary assets.

Key financial and non-financial indicators Continued

Carbon footprint of NN Group's proprietary assets

	2017	2016
Assessed Assets under Management (in EUR billion)	103	81
Fixed income	99	78
Equity	4	3
Carbon footprint (tCO₂e/EUR million invested)	273	309
Fixed income	278	316
Equity	120	146
Weighted average carbon intensity (tCO₂e/EUR million of revenue)	231	232
Government Bonds	233	232
Corporate Bonds	276	238
Equity	171	260

In the context of an investment portfolio, a carbon footprint measures the amount of greenhouse gas (GHG) emissions and intensity associated with the underlying portfolio holdings. The footprint is measured in carbon dioxide equivalents (CO₂e).

Scope of our carbon footprint disclosure

The carbon footprint of NN Group's proprietary fixed income and listed equity holdings was measured as per 31 December 2017, and is based on the latest carbon dioxide emissions data for governments and companies available to us.

In 2017, the assessed AuM increased to EUR 103 billion due to the addition of Delta Lloyd's assets. This represents 56% of NN Group's total proprietary assets. The main asset categories that were not in scope of this carbon footprint analysis included mortgages, real estate, private equity, derivatives and cash.

The fixed income holdings that we assessed included government bonds and corporate fixed income securities. The Corporate Fixed Income portfolio comprised mainly corporate bonds, but also asset-backed securities and loans (although the data availability on these two asset categories was limited).

The analysis is based on scope 1 and 2 emissions data provided by ISS-Ethix Climate Solutions, a leading global provider of investment climate data. The coverage, or the percentage of (assessed) portfolio assets for which (actual or estimated) emissions data was available, is: 82%.

The methodology for the footprint measurement remained the same as last year. More detail on how we calculated the metrics can be found in NN's Carbon Footprint Disclosure report of August 2017, published on the NN Group website.

Key financial and non-financial indicators Continued

Human capital indicators

	2017	2016	2015
Workforce (end of year)			
Total full-time equivalents (FTEs)	14,853	11,545	11,643
Total number of employees (headcount)	15,406	11,995	12,105
– Netherlands Life	2,924	2,162	2,183
– Netherlands Non-life	2,157	935	901
– Insurance Europe	4,847	4,254	4,228
– Japan	868	775	697
– Asset Management	1,165	1,098	1,191
– Other	3,445	2,771	2,905
Part-time employees	22.0%	15.8%	16.1%
Temporary employees	5.8%	5.9%	5.8%
Average years of service	11.8	n.r.	n.r.
Male/female ratio	52/48	52/48	53/47
Male/female ratio managers	65/35	66/34	66/34
Male/female ratio Senior Leaders Group	68/32	80/20	82/18
Wellbeing and engagement			
Sick leave ¹	3.3%	2.4%	2.8%
Engagement score	66%	71%	73%
Participation in engagement survey	73%	86%	84%
Employee participation			
Employees covered by Collective Labour Agreement (CLA)	75.1%	70.1%	70.9%
Employees represented by an employee representative body	87%	n.r.	n.r.
Formal meetings held with employee representative bodies (#)	127	n.r.	n.r.
Complaints¹			
Grievances on labour practices (#) ²	10	12	5
Total incidents of fraud involving employees (#)	8	1	2
Talent development			
Total spending on training and development (in EUR million)	21.4	13.7	13.0
Spending/average FTE	1,441	1,111	1,094
Human capital return on investment ³	2.3	2.3	2.5
Employees with completed standard performance process (2016/2017)	91.8%	98.4%	87%
Employee turnover			
New hires (#)	1,521	1,358	1,651
Employee turnover	14.9%	10.2%	10.4%
– voluntary employee turnover	7.8%	5.8%	5.2%
– involuntary employee turnover	7.2%	4.4%	5.2%
Redundancies ⁴ (#)	902	n.r.	n.r.
Open positions filled by internal candidates	26.8%	29.2%	25.4%
Employee compensation			
Total employee wages and benefits (in EUR million)	1,496	1,160	1,159
Ratio of CEO compensation to the average employee compensation ⁵	29:1	n.r.	n.r.

1 Netherlands only; this counts for more than 60% of the total organisation.

2 This number covers data of the Dutch business of NN only. It does not include the complaints received in relation to the integration process of Delta Lloyd and Nationale-Nederlanden, given the specific nature of these complaints.

3 Human capital ROI is calculated as: (operating result ongoing business + employee expenses)/employee expenses.

4 The scope of the number of redundancies differs from the involuntary employee turnover ratio, as it is limited to (actively) managed involuntary terminations, not including i.e. people leaving because of death, or end of their fixed term contract.

5 For more information, refer to the Remuneration report on pages 28-32 of the Financial Report.

n.r. indicates not reported.

Key financial and non-financial indicators Continued

Community investment indicators

	2017	2016	2015
Total donations to charitable organisations (x EUR 1,000) ¹	2,400	1,500	1,500
Of which donations from corporate foundations (country/name)			
The Netherlands/Together for Society	218	182	293
The Netherlands/Delta Lloyd Foundation	850		
Hungary/NN Foundation for Children's Health	–	9	33
Romania/Foundation for Life	11	29	137
Total hours of volunteering work (in Future Matters focus areas)	14,099	5,685	5,593
Total number of young people reached through NN Future Matters programme ²	37,208	27,529	9,069

1 Includes cash donations to charitable causes, corporate foundations and partnerships.

2 Numbers reached include partnership with JA and EP-Nuffic, the Future Matters anniversary donations and main Dutch programmes (excluding the From Debt to opportunities programme).

Environmental indicators

	2017	2016	2015
CO₂ emissions of our direct operations			
% of CO ₂ emissions offset annually	100%	100%	100%
CO ₂ emissions (kilotonnes) ¹	25	22	27
CO ₂ emissions from energy consumed on NN sites	11	9	12
– of which electricity	6	6	6
– of which natural gas	3	2	3
– of which district heating	2	1	3
CO ₂ emissions from air travel	4	4	6
CO ₂ emissions from car travel	10	9	8
CO ₂ emissions (tonnes)/FTE	1.7	1.9	2.3
Business travel			
Air travel (km x 1 million)	22	24	25
Car travel (km x 1 million) ²	56	45	45
Energy consumption			
Total energy consumption (MWh x 1,000)	59	37	55
Electricity	11	12	12
Renewable electricity	24	10	19
– Renewable electricity as % of total electricity	69%	45%	61%
Natural gas	13	11	13
District heating ³	11	5	11
Paper			
Total paper use (kg)	776,380	830,409	872,996
– Sustainable paper (i.e FSC) (kg)	678,418	693,580	730,277
– Sustainable paper as % of total paper	87%	84%	84%
Waste			
Total waste (kg)	389,517	471,162	573,875
– Recycled waste (kg)	320,897	215,325	152,053
– Recycled waste as % of total waste	82%	46%	26%

1 The increase in total CO₂ emissions is a result of the integration of NN and Delta Lloyd.

2 The comparative figure for 2015 has been restated according to new data.

3 Decrease in 2016 mainly caused by a reduction of office space in the Netherlands.