

NN Group N.V.

2017 Solvency and Financial Condition Report



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Solvency and Financial Condition Report

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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 2017 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). Furthermore, the figures presented in this report are in line with the supervisor's reported Quantitative Reporting Templates. 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 2017, 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 QRT's 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 2017

In 2017, NN Group acquired all issued and outstanding ordinary shares in the capital of Delta Lloyd N.V. (Delta Lloyd) for a total consideration of EUR 2,463 million. The legal merger between NN Group Bidco B.V. (a 100% subsidiary of NN Group N.V.) and Delta Lloyd N.V. became effective on 1 June 2017. Following the acquisition, NN Group started to combine Delta Lloyd with the Dutch and Belgian activities of NN Group. From this date, the NN Group Risk management governance and policies apply to the Delta Lloyd units. During 2017 certain waivers were granted where immediate implementation was not possible. On 17 August 2017, NN Group reported the first fully consolidated set of quarterly results for NN Group and Delta Lloyd.

Eligible Own Funds

Solvency II requires to hold Eligible Own Funds for covering Solvency Capital Requirement. The Eligible Own Funds are classified in three tiering categories. The tiering classification is prescribed in the Solvency II Legislation, as not all own-fund items are considered to be able to fully absorb losses in the event of winding-up proceedings. Tier 1 own-fund items are the highest grade capital and Tier 3 items are the lowest grade capital.

Eligible Own Funds

In EUR million	2017	2016
Tier 1 (restricted and unrestricted)	11,907	11,356
Tier 2	2,420	1,043
Tier 3	1,085	750
Total Eligible Own Funds	15,412	13,149

Eligible Own Funds increased by EUR 2.3 billion from EUR 13.1 billion at 31 December 2016 to EUR 15.4 billion at 31 December 2017. The increase reflects the inclusion of Delta Lloyd, operating capital generation and positive market impacts, offset by capital flows to shareholders.

Business and performance

Impact of long-term guarantees and transitional measures

The quantification of the impact of a change to zero of the volatility adjustments, the transitional measures on technical provisions and the transitional measures 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 paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure' on pages 23-24 in Section D.2 and QRT S.22.01.22 'Impact of long-term guarantees and transitional measures' in the Appendix.

Solvency Capital Requirement

NN Group uses a Partial Internal Model ('PIM') approved by DNB, to measure SCR across its entities. SCR is based on the Partial Internal Model for the Dutch NN insurance entities (namely NN Life, NN Non-life, NN Re and Movir), and on Standard Formula for the Delta Lloyd entities (Delta Lloyd Life, Delta Lloyd Non-life, Delta Lloyd Life Belgium, ABN AMRO Life and ABN AMRO Non-life) and the international insurance entities of NN Group. NN Group will also seek DNB approval to extend the Partial Internal Model to include Delta Lloyd Life and Delta Lloyd Non-life.

Solvency Capital Requirement

In EUR million	2017	2016
Market Risk	5,215	3,678
Counterparty Default Risk	667	400
Non-Market Risk	5,649	4,000
Total BSCR (before diversification)	11,531	8,078
Diversification	-3,208	-2,326
Total BSCR (after diversification)	8,323	5,752
Operational Risk	677	442
LACDT	-1,788	-1,298
Other	18	103
Solvency II entities SCR	7,230	4,999
Non-Solvency II entities	501	460
Total SCR	7,731	5,459

The Solvency Capital Requirement increased by EUR 2.3 billion, from EUR 5.5 billion at 31 December 2016 to EUR 7.7 billion at 31 December 2017. The increase is mainly caused by the inclusion of the Delta Lloyd entities.

NN Group's Solvency II Capital ratio

The following table presents the solvency ratio of NN Group at year-end 2017 (and reported at year-end 2016):

Solvency ratio

In EUR million	2017	2016
Eligible Own Funds (EOF)	15,412	13,149
Minimum Capital Requirement (MCR)	3,442	2,348
Solvency Capital Requirement (SCR)	7,731	5,459
Surplus	7,681	7,690
Ratio (%) (EOF/SCR)	199%	241%

NN Group was adequately capitalised at year-end 2017 with a Solvency II ratio of 199% based on the Partial Internal Model. The Solvency II ratio of NN Group decreased to 199% from 241% at the end of 2016, mainly due to the acquisition of Delta Lloyd. The decrease was partially offset by the operating capital generation of the business.

Business and performance Continued

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 2017.

A.1 Business

General

Reference is made to the section 'Corporate governance- General' of the 2017 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 2017 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 2017, there were no holders of qualifying holdings in NN Group.

Material lines of business and related undertakings

Reference is made to Note 31 'Segments' and Note 32 'Principal subsidiaries and geographical information' in the 2017 Consolidated annual accounts and the Annual Review for more information on the material lines of business and geographical areas of NN Group.

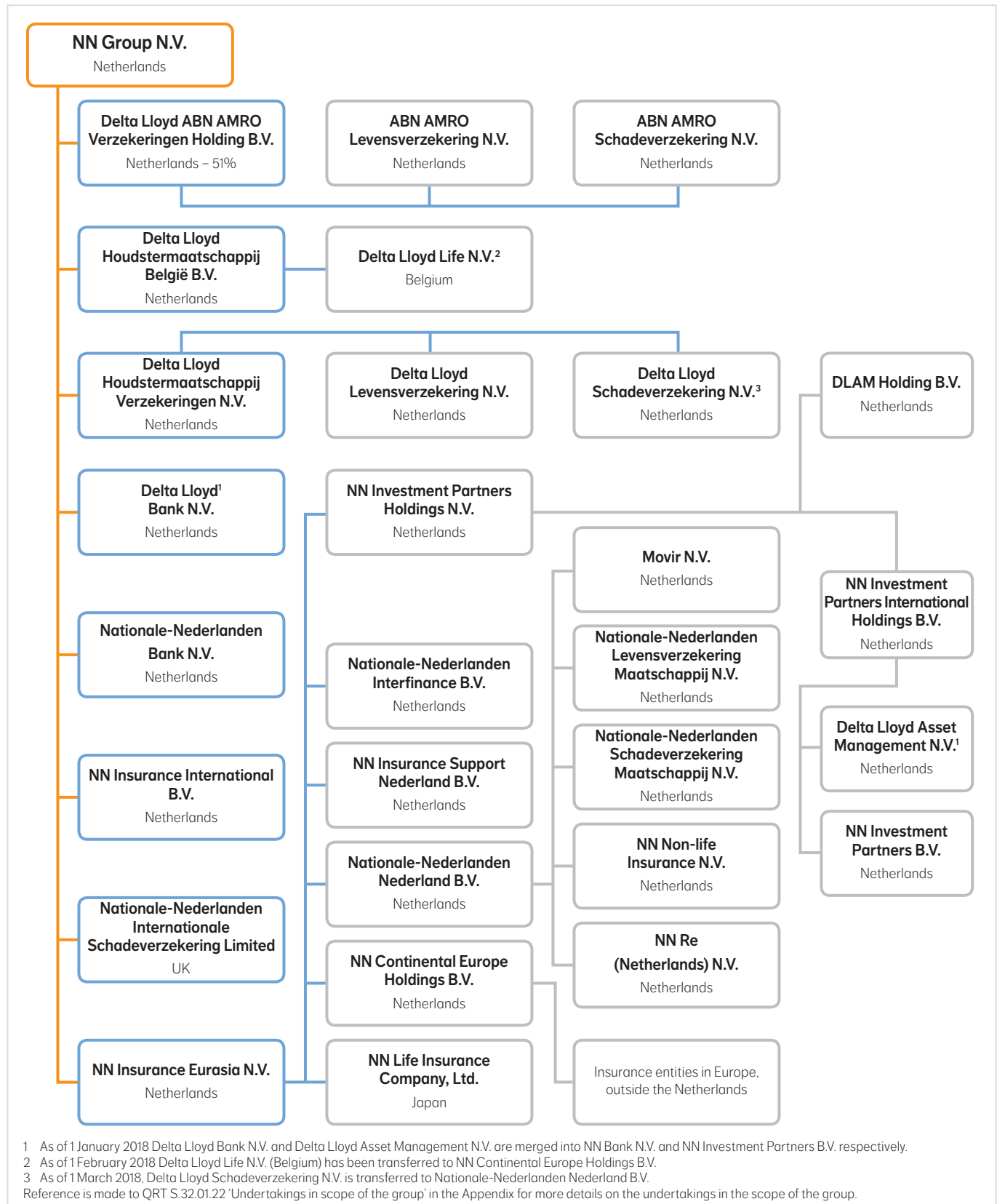
For information on any significant business events or other events that have occurred over the reporting period reference is made to the Financial developments section in the 2017 Financial Report.

Reference is made to Note '32 Principal subsidiaries and geographical information' in the 2017 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 2017 Financial Report for information on the governance and organisational structure of NN Group.

Business and performance Continued

A.1 Business Continued Simplified group structure

The simplified group structure as at 31 December 2017 is as follows:



Business and performance Continued

A.1 Business 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 on 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.

In general, 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.

Through the acquisition of Delta Lloyd, NN Group owns 51% of the shares of ABN AMRO Verzekeringen Holding B.V. (ABN AMRO Verzekeringen). ABN AMRO Verzekeringen is fully consolidated by NN Group, with a minority interest recognised of 49%. At 31 December 2017, the minority interest relating to ABN AMRO Verzekeringen recognised in equity was EUR 302 million (further reference is made to chapter E and Note 13 'Equity' in the 2017 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 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, Delta Lloyd Asset Management, NN Bank and Delta Lloyd Bank. NN Group is designated by DNB as a mixed financial holding company, also known as a Financial Conglomerate. Therefore, NN Bank and Delta Lloyd Bank are 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: DNB approved the 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.

ABN AMRO Verzekeringen is fully consolidated in the Solvency II balance sheet and 100% included in both Basic Own Funds and the SCR. The minority interest in the excess of Own Funds over the SCR is reflected in 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

A.1 Business 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 Group. These are described in chapter B.7 'Outsourcing'. In addition to the intra-group outsourcing arrangements, various intra-group transactions occurred in 2017 in the normal course of business. These include transfers of:

- An insurance portfolio and distribution agreement from NN Belgium to NN Non-life with a value of EUR 16 million
- Dutch mortgages, with a nominal value of EUR 426 million from NN Life to Delta Lloyd Life
- Mortgage originated with a value of EUR 199 million from NN Bank to NN Life Belgium
- Mortgage originated with a value of EUR 100 million from NN Bank to NN Non-life

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 2017 Financial Report and Note 31 'Segments' in the 2017 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 22 'Investment income' in the 2017 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 13 'Equity'- revaluation reserve and in the Consolidated statement of comprehensive income in the 2017 Consolidated annual accounts of NN Group.

Information on investment in securitisations is included in Note 45 'Structured entities' in the 2017 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 2017 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 2017 are disclosed in notes 21-29 and the Financial developments section in the 2017 Consolidated annual accounts of NN Group. Leasing arrangements are included in Note 29 'Other operating expenses' and future rental commitments are disclosed in Note 42 'Contingent liabilities and commitments' in the 2017 Consolidated annual accounts.

A.5 Any other information

Reference is made to the Financial developments section in the 2017 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 governance of NN Group in addition to governance information included in the NN Group 2017 Financial Report. The additional information includes relevant committees within the Executive Board, a description of the main roles and responsibilities of key functions and NN Group's approach to the 'fit and proper' requirements and to the Own Risk and Solvency Assessment.

B.1 General information on the system of governance

This chapter describes the Committees Structure, and explains the responsibilities, members and interdependencies of each committee.

Over the course of 2016, NN Group reviewed its system of governance and considered improvements to its control framework. As a result, an updated system of governance was put in place as of January 2017. Framework improvements were implemented over the course of 2017.

This chapter sets out the governance and control framework effective in 2017.

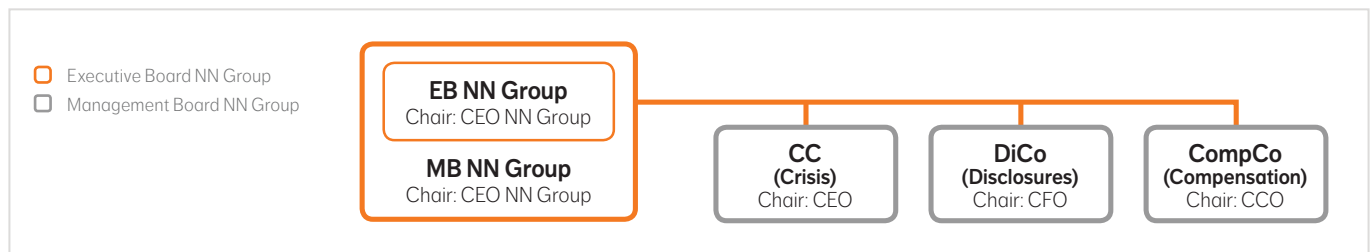
Structure of governance and changes in system of governance

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 2017 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 relevant committees that exist within them.

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 three committees: Crisis, Disclosure and Compensation 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. 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 CEO of NN Group.

Disclosure Committee

The Disclosure Committee's ('DiCo') responsibility is to advise the MB 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 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 Change and Organisation ('CCO') of NN Group.

Roles and responsibilities of key functions

NN Group has organised the Solvency II key functions in accordance with the applicable Solvency II regulations. All key function holders within NN Group have passed DNB fit and proper test. All the Solvency II key functions are able to carry out their duties objectively and free from undue influence and can report relevant findings directly to the relevant Board(s).

System of governance Continued

B.1 General information on the system of governance Continued

Risk function

Role

The Chief Risk Officer of NN Group ('CRO') 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 and communicating NN Group's risk management strategy and ensuring that it is implemented throughout the NN Group organisation
- 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 Management Board and Executive Board member in relation to risk management

Compliance function

Role

To effectively manage Business conduct risk, NN Group has put in place a Compliance function which is headed by the Chief Compliance Officer ('CCO') with delegated responsibility for day-to-day management of 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 CCO 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 tools 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 practices 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 in reporting on Business conduct risk

At the 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 CCO. 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 CCO.

Internal audit function

The Corporate Audit Services NN Group ('CAS') is also a key function within NN Group. For a description of this function, 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 key function within NN Group. For a description of this function, role and responsibilities and implementation in the NN Group structure, reference is made to section B.6.

System of governance Continued

B.1 General information on the 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 2017 Financial Report and Note 27 'Staff expenses' as disclosed in the 2017 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 46 'Related parties' and Note 47 'Key management personnel compensation' in the 2017 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 47 'Key management personnel compensation' in the 2017 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 2017 Consolidated annual accounts.

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

Reference is made to Note 50 'Risk management' in the 2017 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 (including Delta Lloyd entities) 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 recommends 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 repute 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 fitness and the propriety 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 Note 50 'Risk management' to the 2017 Consolidated annual accounts of NN Group for a description of the risk management system comprising of strategies, processes and reporting procedures, and how NN Group is able to effectively identify, measure, monitor, manage and report, on a continuous basis, the risks on an individual and aggregated level, to which NN Group is or could be exposed. In the same note, a description is included of 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.

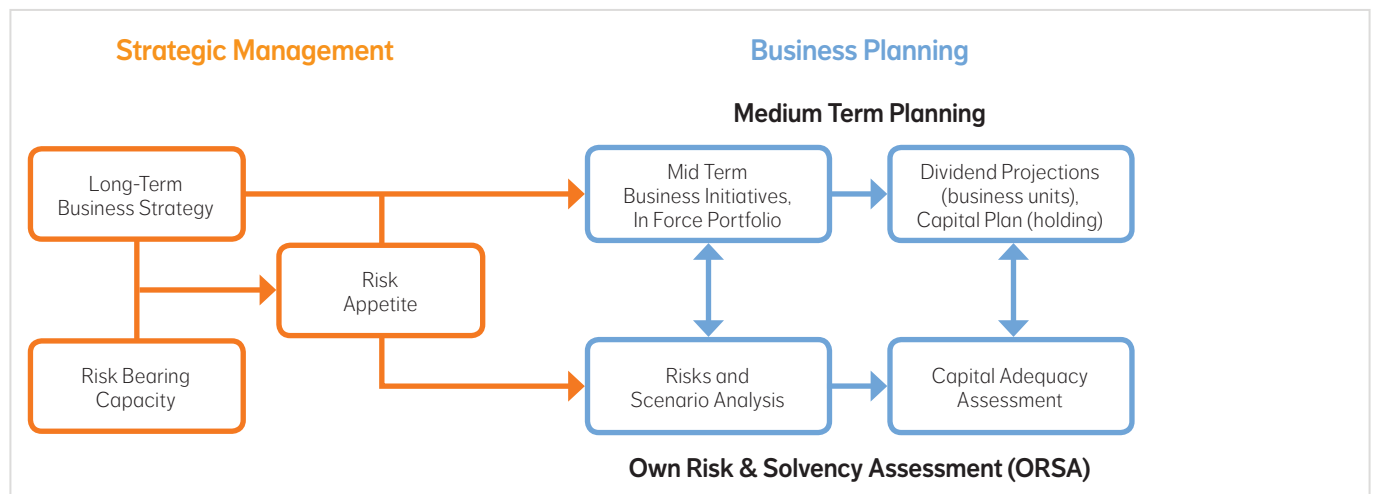
Own Risk and Solvency Assessment

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
- Shall be 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'). The ORSA includes a forward looking overall assessment of NN Group's solvency position in light of the risks it holds.

At least once a year, NN Group's banking and investment management operations run 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.

System of governance Continued

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

Monitoring between regular ORSAs: possible ad-hoc ORSA

To the extent necessary, the 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), relevant metrics and/or indicators and management actions for identified material risks. Monitoring of the same is 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. NN Group has performed an ad-hoc ORSA in November 2017, following the acquisition of Delta Lloyd.

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 and capital projections

The recognition and valuation bases for internal capital projections are the same as those used for regulatory solvency reporting and are 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-wide 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, with special attention for 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

System of governance Continued

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

Stress testing and overall assessment of capital adequacy

Based on the Business Plan and the outcomes of the ORSA 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-wide ORSA will assess any local stress scenario that significantly impacts NN Group overall 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 2017 Financial Report and in section B.1 'General information on the system of governance' above.

Model Governance and Model Validation function

NN Group's model governance and validation function aims to ensure that NN Group's models are fit for their intended purpose. Models and their disclosed metrics are approved by either the local or the Group Model Committee, depending on materiality. This committee is responsible for modelling policies, processes, methodologies, and parameters which are applied within NN Group. Furthermore, the model validation function carries out validations of risk and valuation models in particular those related to Solvency II. Any changes to models that have an impact larger than certain pre-set materiality thresholds require approval from either the Group CRO or the NN Group Management Board.

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 encompasses 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 the relative materiality of the models in scope.

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

During 2017 no material changes to the governance of NN Group's Partial Internal Model were made. NN Group will also seek DNB approval to extend the Partial Internal Model to include Delta Lloyd Life and Delta Lloyd Non-life.

B.4 The Internal control system

Reference is made to Note 50 'Risk management' in the 2017 Consolidated annual accounts of NN Group for a description of the implementation of the Internal control system.

B.5 Internal audit function

Corporate Audit Services NN Group (CAS), the internal audit department within NN Group, is an independent assurance function and its responsibilities established by the Executive Board of NN Group, pre-discussed with the Audit Committee and approved by the Supervisory Board of NN Group. 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 organisation and the quality of procedures and control measures. CAS is responsible for executing the internal Audit function in 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 universes) is defined as every activity, departments and offices 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 in close contact with home 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 like risk assessments and relevant (audit) reports.

System of governance Continued

B.5 Internal audit function Continued

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)
- Have 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.

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 of 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 2017 Consolidated annual accounts of NN Group for a description of the actuarial function.

B.7 Outsourcing

External Outsourcing arrangements

In 2017 an outsourcing arrangement was in effect regarding the claim settlement and claim expertise for NN Non-life through Van Ameyde Services B.V. ('VAS'), a specialised claim handling company. VAS is an entity owned by NN Non-life and Van Ameyde Nederland B.V. There are no significant provisions for doubtful debts or individually significant bad debt expenses recognised on outstanding balances with VAS.

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

System of governance Continued

B.7 Outsourcing Continued

For these external outsourcing arrangement 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 and that this notice period is to be defined yearly by both parties
- 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 policy holder 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 Group. Transactions with entities within the 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 for doubtful debts or individually significant bad debt expenses recognised on outstanding balances within the Group.

All intra-group transactions are conducted under market-consistent conditions. Included in the intra-group transactions were the following:

- 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. and Delta Lloyd Services B.V. The Dutch insurance entities are charged for their staff expenses by NN Insurance Personeel B.V. and Delta Lloyd Services 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. and Delta Lloyd Services B.V. Actual spending is charged to the Dutch insurance entities as per the contract with NN Insurance Personeel B.V. and Delta Lloyd Services 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. During 2017 the Delta Lloyd entities became part of the NN Group fiscal unity
- 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 B.V. and DLAM Holding B.V. NN Investment Partners B.V. makes use of Nationale-Nederlanden Interfinance B.V. for the execution of the transactions involving derivatives
- Zicht B.V. acts as an authorised agent for NN Non-life
- Mandema & Partners B.V., a group company of NN Group, acts as an authorised agent for NN Non-life. Mandema & Partners B.V. was sold in 2016. After the closing of this transaction in January 2017, Mandema & Partners B.V. is no longer part of NN Group
- NN Bank and Delta Lloyd Bank are the servicing and originating partner for mortgage loans held by other group companies
- Delta Lloyd Treasury B.V. carries out treasury management activities for other subsidiaries

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

B.8 Any other information

Reference is made to the Corporate Governance Chapter and the Report of the Supervisory Board, both included in the NN Group 2017 Financial Report and the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm> for other material 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 2017 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 2017 Consolidated annual accounts.

C.2 Market risk

Market risk is disclosed in Note 50 'Risk management' in the 2017 Consolidated annual accounts.

C.3 Counterparty Default risk (Credit risk)

Counterparty Default risk is disclosed in Note 50 'Risk management' in the 2017 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 2017 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 2017 Consolidated annual accounts.

C.6 Other material risks

Business conduct risk

Business conduct risk is the risks 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' and to Note 43 'Legal proceedings' in the 2017 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 2017 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 New Investment Class Approval & Review Procedure ('NICARP') must be followed.

The NICARP describes 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 NICARP request does not describe a specific transaction, but is a proposal for the potential investment in an investment class. The NICARP 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. The second line function Investment Risk Management reports to the CRO of NN Group. Operational activities regarding investments are performed by NN Group's business unit NN Investment Partners, which also provides (unsolicited) advice on proposed or current investments.

Risk profile Continued

C.6 Other material risks Continued

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

- Asset Class Standard (NICARP)
- Investment Management Policy
- Concentration Risk Standard
- ALM policy
- Financial Regulations Standard
- Responsible Investment framework policy

Chief Investment Office

Based on market views, local Business Unit requirements, input from its assets managers, the Chief Investment Office, which is headed by 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 Office.

IFRS net result sensitivity analysis

Reference is made to Note 50 'Risk Management' in the 2017 Consolidated annual accounts of NN Group for a description of the methods used, the assumptions made and the outcome of stress testing and sensitivity analysis for material risks and events.

Solvency II sensitivity analysis

Reference is made to Note 50 'Risk Management' in the 2017 Consolidated annual accounts of NN Group for the outcome of the NN Solvency II sensitivities analysis.

Other material risks

Reference is made to the 2017 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 2017 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 2017 Annual Review ('Our Risk Profile') for the Material risks that that NN Group is exposed to.

As at 31 December 2017, 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 45 'Structured entities' in the 2017 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' in the 2017 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 of the SFCR contains information on the valuation for solvency purposes of assets, insurance liabilities and other liabilities of NN Group and explains the differences with their valuations in the NN Group 2017 Consolidated annual accounts.

Reconciliation IFRS Balance sheet to Solvency II Balance sheet

As at 31 December 2017. In EUR million	IFRS	Consolidation scope	Valuation differences	Presentation differences	Solvency II
Assets					
Cash and cash equivalents	9,383	-3,530		-3,261	2,592
Financial assets at fair value through profit or loss and Available-for-sale investments ¹	144,540	-19,494		5,681	130,727
Loans	56,343	-18,299	1,677	-549	39,172
Reinsurance contracts	880	-40	-38		802
Associates and joint ventures	3,450	3,532	-1,163	-190	5,629
Real estate investments	3,582			2	3,584
Property and equipment	150	-9			141
Intangible assets	1,841	-216	-1,625		0
Deferred acquisition costs	1,691	-960	-731		0
Deferred tax assets	125	-38	1,381		1,468
Other assets	5,077	-1,048	309	-1,859	2,479
Total assets	227,062	-40,102	-190	-176	186,594
Equity					
Shareholders' equity (parent)	22,718		-8,950	317	14,085
Minority interests	317			-317	0
Undated subordinated notes	1,764			-1,764	0
Total equity/Excess of assets over liabilities	24,799	0	-8,950	-1,764	14,085
Liabilities					
Subordinated debt	2,468	-12	84	1,854	4,394
Debt securities issued	1,988			-1,988	0
Other borrowed funds	7,991	-5,656	355	3,832	6,522
Insurance and investment contracts	163,639	-17,777	9,224		155,086
Customer deposits and other funds on deposit	14,434	-14,434			0
Non-trading derivatives	2,305	-225		-18	2,062
Deferred tax liabilities	1,830	-586	-798		446
Other liabilities	7,608	-1,412	-105	-2,092	3,999
Total liabilities	202,263	-40,102	8,760	1,588	172,509
Total equity and liabilities	227,062	-40,102	-190	-176	186,594

¹ Investments consists of the IFRS Balance sheet items 'Financial assets at fair value through profit or loss' and 'Available-for-sale investments'.

Reference is made to the 2017 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 2017 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 Delta Lloyd Bank (Customer deposits and other funds on deposit) and NN Life Japan (all other line items).

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 34 'Fair value of financial assets and liabilities' and Note 35 'Fair value of non-financial assets' in the 2017 Consolidated annual accounts of NN Group for a description of the bases, methods and main assumptions used for their valuation.

Valuation for Solvency purposes Continued

D. Valuation for Solvency purposes Continued

The most important presentation differences are the presentation of money market funds and accrued interest. The most important valuation differences are related to loans and technical provisions.

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

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 34 'Fair value of financial assets and liabilities' and to Note 35 'Fair value of non-financial assets' in the 2017 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 -3,261 million as at 31 December 2017 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 -3,530 million as at 31 December 2017.

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 5,681 million as at 31 December 2017 are caused by:

- Presentation of short term deposits and 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 2017 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 2017 Consolidated annual accounts.

Differences due to a different scope of consolidation amounted to EUR -19,494 million as at 31 December 2017.

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 2017 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 1,677 million as at 31 December 2017.

Presentation differences of EUR -549 million as at 31 December 2017 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 2017 Consolidated annual accounts of NN Group ('clean market value')
- The presentation of certain Asset Backed Securities as investments (excluding loans) under Solvency II, instead of their presentation as loans in the 2017 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 -18,299 million as at 31 December 2017.

Reinsurance contracts

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

Valuation for Solvency purposes Continued

D.1 Assets 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 3,532 million as at 31 December 2017 (IFRS values). Valuation differences of EUR -1,163 million as at 31 December 2017 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 -190 million as at 31 December 2017 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 stock listing 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 2017.

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 33 'Taxation' in the 2017 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 valuation of deferred tax assets amounted to EUR 1,381 million as at 31 December 2017.

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 -1,859 million as at 31 December 2017 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 2017 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 -1,048 million as at 31 December 2017.

Valuation for Solvency purposes Continued

D.1 Assets Continued

Changes in valuation bases

During 2017, 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 2017:

Value of technical provisions by Solvency II Business Line

As at 31 December 2017. In EUR million	BEL	Risk margin	Technical provisions
Technical provision per line of Business:			
1. Non-Life	2,069	105	2,174
2. Non-Life similar to health	229	15	244
3. Life	112,614	5,150	117,764
4. Life similar to health	3,020	168	3,188
5. Index-linked and Unit-linked	31,004	712	31,716
Total	148,936	6,150	155,086

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 is 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 Ultimate Forward Rate ('UFR'), to allow for financial risk with 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.

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 will 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.

Valuation for Solvency purposes Continued

D.1 Assets Continued

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.

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 full 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 2017, the EIOPA and NN Group curves were consistent.

Changes in assumptions

During 2017, all Business Units reviewed their best estimate assumptions and updated them where necessary. The most material changes were in aligning assumptions of the former Delta Lloyd entities with NN Group assumptions. Notably, projected mortality improvement and investment expenses were aligned in order to reflect a common view across entities where consistency is needed.

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 financials 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.

Valuation for Solvency purposes Continued

D.1 Assets Continued

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 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 Netherlands 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.

Level of Uncertainty

For the level of uncertainty associated with the value of the technical provision, reference is made to the Own funds at risk-Insurance risk in Note 50 'Risk Management' in the 2017 Consolidated annual accounts of NN Group.

Main differences between IFRS and Solvency II valuation of technical provisions

As at 31 December 2017. In EUR million	IFRS	Consolidation scope	Valuation and presentation differences	Solvency II
Technical provision per line of Business:				
1. Non-Life	3,254		-1,080	2,174
2. Non-Life similar to health	214		30	244
3. Life	124,998	-12,951	5,717	117,764
4. Life similar to health	2,451		737	3,188
5. Index-linked and Unit-linked	32,722	-4,826	3,820	31,716
Total	163,639	-17,777	9,224	155,086

Summary of main differences between IFRS and Solvency II as at 31 December 2017

At 31 December 2017, the valuation 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 9,224 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 the IFRS provisions of the former 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 and VOLA 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 former Delta Lloyd entities, the acquisition date is considered the policy issue date. The locked-in actuarial assumptions reflect best estimates at the acquisition date.

Valuation for Solvency purposes Continued

D.1 Assets Continued

- 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.
- The value of reinsurance contracts in the table above only relates to external reinsurance. Internal reinsurance contracts between NN Re (the reinsurer) and other Solvency II entities within NN Group are eliminated and do not appear in the Group results. The valuation differences between IFRS insurance liabilities and Solvency II technical provisions described in the above paragraph also apply to reinsurance contracts.

Differences in technical provisions recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -17,777 million as at 31 December 2017.

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 mandate disclosure of the quantitative impact of excluding:

- Transitional measures in respect of technical provisions
- Transitional measures in respect of 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 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 measures 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 567 million in technical provisions, contributing EUR 426 million (after tax) to Basic own funds as at 31 December 2017. The impact on Eligible own funds is partly mitigated because of higher excess non-available own funds. Therefore the net impact on Eligible own funds is EUR 104 million. These transitional measures had no impact on the SCR as at 31 December 2017.

Transitional measures on interest rates

NN Group applies the transitional measures on interest rates for its insurance business in Greece. These transitional measures resulted in a reduction of EUR 127 million in technical provisions, contributing EUR 127 million (after tax) to Basic own funds as at 31 December 2017. The impact on Eligible own funds is partly mitigated because of higher excess non-available own funds. Therefore the net impact on Eligible own funds is EUR 78 million. The impact of the application of transitional measures on interest rates is an increase of the SCR of EUR 4 million.

Ultimate Forward Rate

At the end of 2017, the UFR for EUR under Solvency II was set at 4.2%. In April 2017, EIOPA published an updated methodology to derive the UFR, which is subject to approval by the European Commission. In line with the updated methodology, the calculated value of the UFR for EUR is 3.65%, but annual changes to the UFR will not be higher than 15 basis points. Therefore the UFR for EUR is expected to decrease from 4.2% to 4.05% from 1 January 2018. A sensitivity analysis is included in Note 50 'Risk Management', section 'Market and credit risk: Separate account' to provide the impact on Own Funds and the SCR using the expected UFR for 2018 for each currency.

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 2017, the level of the VOLA for the Euro currency was 4 bps.

The application of the VOLA resulted in a reduction of EUR 596 million in technical provisions, contributing EUR 448 million (after tax) to Basic own funds as at 31 December 2017. Excluding the VOLA from the calculation of technical provisions would reduce the eligible own funds by EUR 598 million. The impact on eligible own funds is higher than on basic own funds due to eligibility constraints.

Valuation for Solvency purposes Continued

D.1 Assets Continued

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 'Dynamic 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.

If the Dynamic 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 table below shows the impact of excluding both the Dynamic VOLA as well as spread risk on government bonds from the SCR, in combination with removing the VOLA from eligible own funds. In such scenario, the SCR would be EUR 1,583 million higher and eligible own funds would be EUR 361 million lower.

Amount without 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 and eliminating additional credit spread shock	Total impact	Amount without Long-Term Guarantee measures and transitionals
As at 31 December 2017. In EUR million	(A)	(B)	(C)	(D)	(E)=(B+C+D)	(F)=(A)+(E)
Technical provisions	155,086	567	127	596	1,290	156,376
Basic own funds	17,121	-426	-127	-448	-1,001	16,120
Eligible own funds to meet the Solvency Capital Requirement	15,412	-104	-78	-361	-543	14,869
Solvency Capital Requirement	7,731	0	-4	1,583	1,579	9,310

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 NN Group's own credit risk.

In Solvency II market value, (a change in) the own credit risk is not taken into account. The Solvency II market value of subordinated debt is estimated using discounted cash flows based on interest rates and credit spreads that apply to similar instruments. The Solvency II market value of other borrowed funds, is generally based on quoted market prices or, if not available, on prices estimated by discounting expected future cash flows using a current market interest rate and credit spreads applicable to the yield, credit quality and maturity.

Valuation differences between IFRS and Solvency II for Subordinated debt of EUR 84 million and other borrowed funds of EUR 355 million represent the difference between amortised cost and market value, excluding an own credit element.

Other 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 2017 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 1,854 million as at 31 December 2017.

Debt securities issued in IFRS is presented as other borrowed funds in Solvency II, causing a presentation difference of EUR -1,988 million.

The presentation difference in the other borrowed funds of EUR 3,832 million is for EUR 1,988 million transferred from Debt securities issued and the remaining part is the margin account for derivatives reported in IFRS under Other liabilities and accrued interest.

Differences due to a different scope of consolidation amounted to EUR -5,656 million for the other borrowed funds as at 31 December 2017.

Valuation for Solvency purposes Continued

D.3 Other liabilities Continued

Customer deposits and other funds on deposit

NN Bank and Delta Lloyd Bank are the only group entities carrying these Customer deposits. As NN Bank and Delta Lloyd Bank are 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 consolidation difference amounted to EUR -14,434 million as at 31 December 2017.

Liabilities for employee benefits

No significant liability for employee benefits exists in NN Group.

Deferred tax liabilities and Other liabilities

Part of the other liabilities are the 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 -798 million lower deferred tax liabilities are recognised in the Solvency II balance sheet as at 31 December 2017.

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

Presentation differences 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 2017 Consolidated annual accounts of NN Group ('clean market value'). Presentation differences amounted to EUR -2,092 million as at 31 December 2017 of which the main part is transferred to Other borrowed funds. Differences due to a different scope of consolidation amounted to EUR -1,412 million as at 31 December 2017.

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 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 2017)

For more details on other provisions and contingent liabilities, reference is made to Note 42 'Contingent liabilities and commitments' and Note 43 'Legal proceedings' in the 2017 Consolidated annual accounts of NN Group.

Leasing

Information on operating lease arrangements are recognised in Note 29 'Other operating expenses' and Note 42 'Contingent liabilities and commitments' in the 2017 Consolidated annual accounts of NN Group. There are no 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.

Valuation for Solvency purposes Continued

D.3 Other liabilities Continued

Outflow of economic benefits

For the expected timing of the outflows of economic benefits reference is made to Note 38 'Liabilities by maturity' in the 2017 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 2017 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 2017

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 34 'Fair value of financial assets and liabilities' and Note 35 'Fair value of non-financial assets' in the 2017 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 2017 Consolidated annual accounts of NN Group. The valuation methods used if the markets are inactive are described in Note 34 'Fair value of financial assets and liabilities'.

Estimation uncertainties

Reference is made to 'Strategy and value creation' in the 2017 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 the Own funds at risk in Note 50 'Risk Management' in the 2017 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 2017 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 and MCR, classified by tiers

Solvency II Basic Own Funds represents 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 2017 or as at 31 December 2017.

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 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.

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

Capital management Continued

E.1 Own funds Continued

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. The treatment is the same as under IFRS. The same applies to instruments that are liabilities (not capital) under Solvency II.

- **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'.

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' in the 2017 Consolidated annual accounts of NN Group for an analysis of significant changes in own funds.

The principal loss-absorbency mechanism

During 2017, subordinated liabilities issued by NN Group and recognised as Tier 1 solvency capital had no principal loss-absorbency mechanism in place.

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.

Foreseeable dividends, distributions and charges amount to EUR 474 million and include the proposed final 2017 dividend of EUR 348 million, and the accrued coupons on the eligible subordinated debt of EUR 126 million.

Capital management Continued

E.1 Own funds Continued

Reconciliation IFRS equity to Own Funds

Reconciliation IFRS equity to Solvency II Basic Own Funds

In EUR million	2017	2016
IFRS Shareholders' Equity	22,718	22,695
Minority interest	317	12
Elimination of deferred acquisition costs and intangible assets	-2,356	-811
Valuation differences on assets	1,948	1,594
Valuation differences on liabilities, including insurance and investment contracts	-9,558	-12,458
Deferred tax effect on valuation differences	2,179	2,884
Difference in treatment of non-Solvency II regulated entities	-1,163	-1,182
Excess of assets over liabilities	14,085	12,734
Deduction of participation in Bank	-884	-605
Subordinated loans	4,394	3,037
Foreseeable dividends and distributions	-474	-505
Basic Own Funds	17,121	14,660

The differences between IFRS Shareholders' Equity in NN Group's 2017 annual accounts and Solvency II Basic Own Funds of NN Group as at 31 December 2017 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) (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:
 - Loans and advances
 - Reinsurance contracts
 - Subordinated loans
 - 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:
 - Hybrid capital issued by NN Group to NN Bank is deducted to prevent double counting
 - Foreseeable dividends and distributions are recognised for Solvency II purposes when determining the basic own funds; dividends are recognised in the IFRS balance sheet after they are declared
 - 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' in the 2017 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.

Eligibility, transferability and fungibility of Own Funds

For the legal and supervisory limits on freely distributable capital, reference is made to Note 13 'Equity' in the NN Group 2017 Consolidated annual accounts. Reference is made to Note 51 'Capital and liquidity management' in the NN Group 2017 Consolidated annual accounts for the restrictions affecting eligibility, transferability and fungibility of Own Funds of NN Group and related undertakings.

Capital management Continued

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' in the 2017 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

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.

Capital management Continued

E.2 Solvency Capital Requirement and Minimum Capital Requirement Continued

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.

Due to the strong balance sheet of NN Group, it is reasonable to assume that NN Group can continue as a going concern after the shock, without a need to generate external additional capital and without a need to de-risk. 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').

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

- The amount of the risk margin in the technical provision
- Return on capital after the shock
- Reversal of the net effects of the credit-spread shock
- Investment spread in excess of interest accretion on technical provisions and funding costs over their (expected average) remaining duration. Profits from estimated new business
- Net fee income
- Carry-back

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 2017 Consolidated annual accounts of NN Group.

Minimum Capital Requirement

In EUR million	2017	2016
Eligible Own Funds to cover MCR	11,508	10,803
of which Tier 1 unrestricted	8,935	8,414
of which Tier 1 Restricted	1,885	1,919
of which Tier 2	688	470
MCR (or The sum of the MCR of the related undertakings)	3,442	2,348

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.

Capital management Continued

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.

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

The choice for a Partial Internal Model is based on the conviction that an Internal Model better reflects the risk profile of the Dutch insurance entities and has additional benefits for risk management purposes, whilst the Standard Formula adequately captures the risk profile of the international businesses.

In particular:

- An Internal Model approach better reflects the specific assets and therefore the market risk in the portfolio of NN Life e.g. property risk, sovereign and other credit spread risks
- The approach to the most significant non-market risks within NN 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 exists in the NN portfolios
- The internal model accounts for the volatility adjuster in the liability discount rate by means of a dynamic volatility adjustment. 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 23-24) for further information on NN Group's 'Dynamic VOLA'

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

The Dutch Delta Lloyd Life and Non-Life entities currently apply the Standard Formula. The risk profile of the Dutch Delta Lloyd Life and Non-Life business is broadly similar to that of the equivalent Dutch NN business. NN Group therefore believes that the Internal Model as approved for the Dutch NN entities 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. NN Group will also seek DNB approval to extend the Partial Internal Model to include Delta Lloyd Life and Delta Lloyd Non-life.

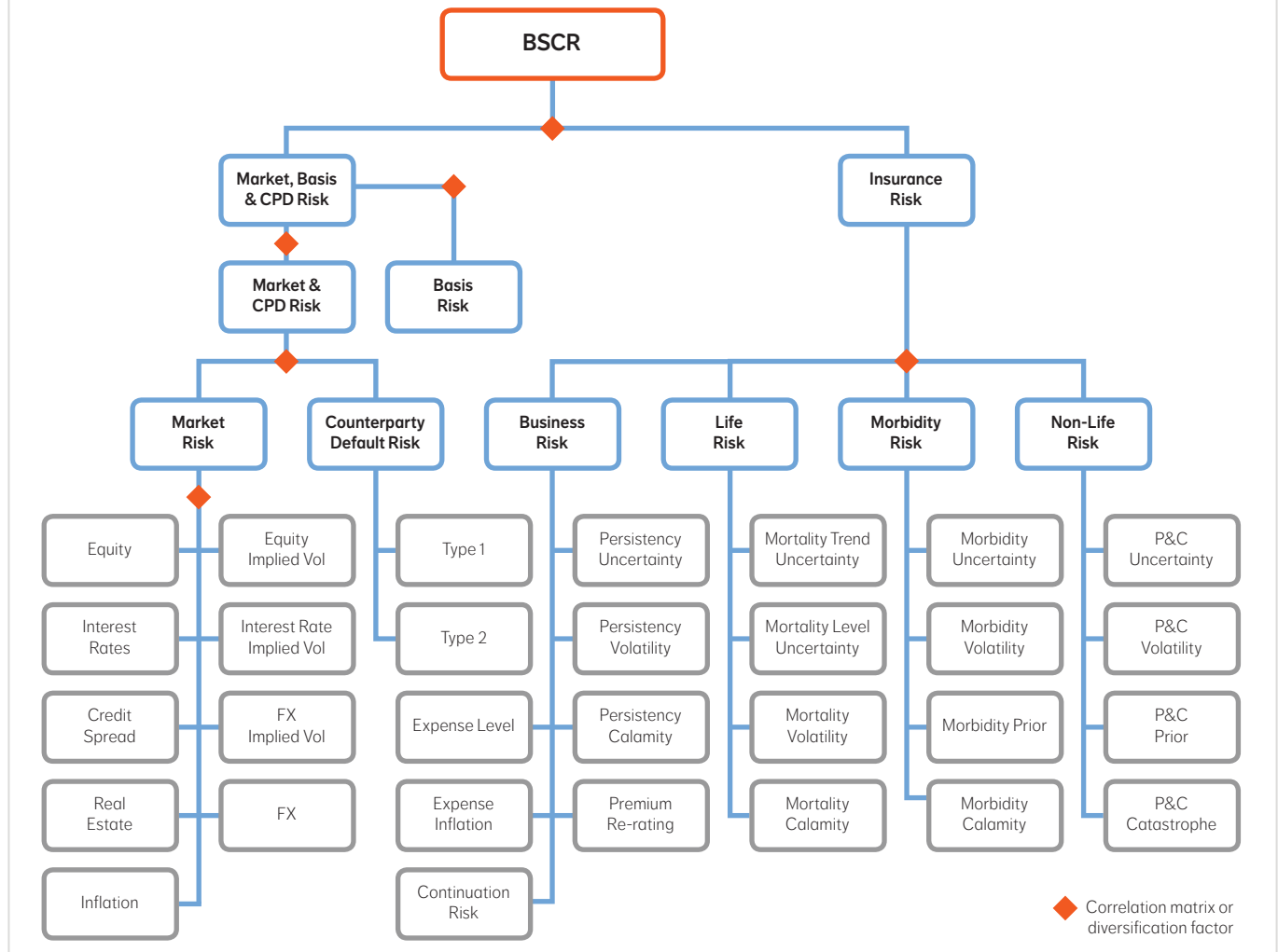
Capital management Continued

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

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 negatively 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'):

Risk factors as part of the Internal Model



In addition to the risks covered in the Standard Formula, the Internal Model includes the following risks (in addition to the differences mentioned in the beginning of section E4):

- 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

Capital management Continued

E.4 Differences between the Standard Formula and any Internal Model used 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
 - When interest rates are at low levels, the Internal Model uses absolute shocks, while the Standard Formula uses relative shocks
 - The Internal Model allows for 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 NN Group convergence 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
 - In the Internal Model mortgages and loans are treated under Credit Spread Risk, whereas in the Standard Formula these are shocked as part of Counterparty Default Risk
- Real Estate Risk:
 - Shock applied in the Standard Formula is calibrated to historical prices observed in the UK property market, 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
- Life Risk:
 - Under the Internal Model, longevity risk (trend uncertainty) is better tailored to the specific portfolio characteristics, 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 Internal Model Dutch business aggregate total SCR is combined with the Standard Formula International business aggregate total SCR using a correlated sum– recognising a Solvency II regulation based diversification between the Internal Model and the Standard Formula. At a lower level, diversification between the Dutch entities is based on Internal Model, and between the international entities is based on the 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.

Capital management Continued

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

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

SCR

In EUR million	2017	2016
Internal Model entities	4,870	5,178
Standard Formula entities	3,535	782
Diversification	-82	-208
Partial Internal Model BSCR	8,323	5,752
Operational Risk	677	442
Capital add-on	44	30
Loss-Absorbing Capacity of Technical Provisions	-131	-50
Loss-Absorbing Capacity of Deferred Taxes	-1,788	-1,298
Non-modelled Solvency II Entities	105	123
Solvency II entities	7,230	4,999
Non-Solvency II entities	501	460
Total SCR	7,731	5,459

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, i.e. Bloomberg, Barclays
- 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, i.e. Bloomberg, Barclays. 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 -4,223 million as at 31 December 2017 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 -3,113 million as at 31 December 2017

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.

Capital management Continued

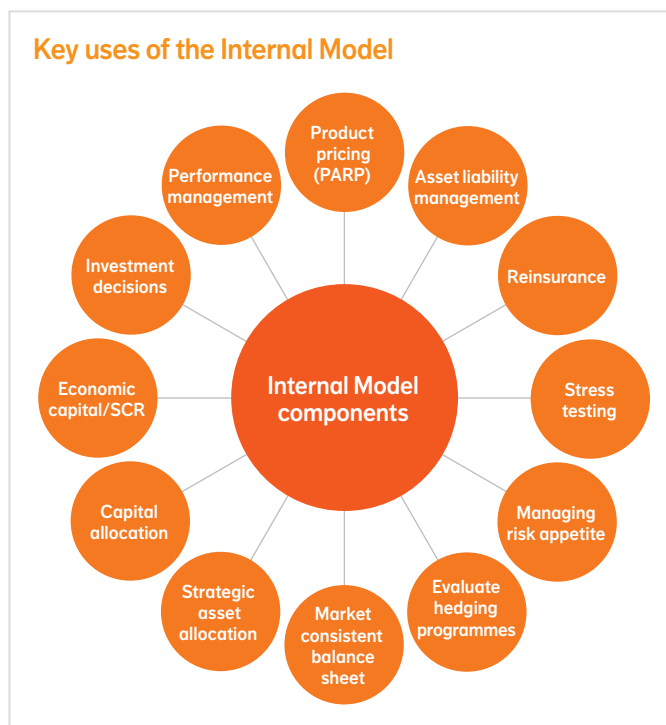
E.4 Differences between the Standard Formula and any Internal Model used Continued

The uses 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 2017 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. The following diagram provides an overview of the key uses of the Internal Model.



Capital management Continued

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

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 2017 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 2017 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

Reference is made to Note 49 'Other events' in the 2017 Consolidated annual accounts of NN Group for the nature and the effect of material events arising after the balance sheet date which are not reflected in the balance sheet, if any.

Appendix 1: 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 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: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.02.01.02 Balance sheet

Amounts in thousands of euros		Solvency II value C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	1,468,320
Pension benefit surplus	R0050	28,578
Property, plant & equipment held for own use	R0060	141,209
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	113,186,000
Property (other than for own use)	R0080	3,584,043
Holdings in related undertakings, including participations	R0090	5,628,971
Equities	R0100	3,220,694
Equities – listed	R0110	2,895,777
Equities – unlisted	R0120	324,917
Bonds	R0130	86,353,766
Government Bonds	R0140	62,283,859
Corporate Bonds	R0150	21,444,372
Structured notes	R0160	633,652
Collateralised securities	R0170	1,991,883
Collective Investments Undertakings	R0180	7,286,648
Derivatives	R0190	4,984,562
Deposits other than cash equivalents	R0200	1,920,675
Other investments	R0210	206,640
Assets held for index-linked and unit-linked contracts	R0220	28,674,445
Loans and mortgages	R0230	37,232,493
Loans on policies	R0240	387,401
Loans and mortgages to individuals	R0250	26,989,414
Other loans and mortgages	R0260	9,855,678
Reinsurance recoverables from:	R0270	802,347
Non-life and health similar to non-life	R0280	140,408
Non-life excluding health	R0290	140,181
Health similar to non-life	R0300	227
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	604,154
Health similar to life	R0320	29,242
Life excluding health and index-linked and unit-linked	R0330	574,913
Life index-linked and unit-linked	R0340	57,785
Deposits to cedants	R0350	18,353
Insurance and intermediaries receivables	R0360	1,011,744
Reinsurance receivables	R0370	192,144
Receivables (trade, not insurance)	R0380	1,123,491
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	2,592,026
Any other assets, not elsewhere shown	R0420	122,762
Total assets	R0500	186,593,912

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.02.01.02 Balance sheet Continued

Amounts in thousands of euros	Solvency II value C0010
Liabilities	
Technical provisions – non-life	R0510 2,417,449
Technical provisions – non-life (excluding health)	R0520 2,173,578
Technical provisions calculated as a whole	R0530
Best Estimate	R0540 2,068,629
Risk margin	R0550 104,949
Technical provisions – health (similar to non-life)	R0560 243,871
Technical provisions calculated as a whole	R0570
Best Estimate	R0580 228,901
Risk margin	R0590 14,970
Technical provisions – life (excluding index-linked and unit-linked)	R0600 120,951,507
Technical provisions – health (similar to life)	R0610 3,187,581
Technical provisions calculated as a whole	R0620
Best Estimate	R0630 3,019,507
Risk margin	R0640 168,074
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650 117,763,926
Technical provisions calculated as a whole	R0660
Best Estimate	R0670 112,614,468
Risk margin	R0680 5,149,458
Technical provisions – index-linked and unit-linked	R0690 31,716,601
Technical provisions calculated as a whole	R0700
Best Estimate	R0710 31,004,149
Risk margin	R0720 712,452
Other technical provisions	R0730
Contingent liabilities	R0740
Provisions other than technical provisions	R0750 321,808
Pension benefit obligations	R0760 150,424
Deposits from reinsurers	R0770 364,095
Deferred tax liabilities	R0780 445,584
Derivatives	R0790 2,062,172
Debts owed to credit institutions	R0800 4,107,190
Financial liabilities other than debts owed to credit institutions	R0810 2,414,904
Insurance & intermediaries payables	R0820 1,954,770
Reinsurance payables	R0830 71,277
Payables (trade, not insurance)	R0840 833,546
Subordinated liabilities	R0850 4,393,643
Subordinated liabilities not in Basic Own Funds	R0860
Subordinated liabilities in Basic Own Funds	R0870 4,393,643
Any other liabilities, not elsewhere shown	R0880 303,780
Total liabilities	R0900 172,508,751
Excess of assets over liabilities	R1000 14,085,161

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report 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 C0010	Income protection insurance C0020	Workers' compensation insurance C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport insurance C0060	Fire and other damage to property insurance C0070	General liability insurance C0080	Credit and suretyship insurance C0090
Amounts in thousands of euros										
Premiums written										
Gross – Direct Business	R0110	2,861	347,772		299,953	257,567	56,372	783,739	202,102	
Gross – Proportional reinsurance accepted	R0120	19	-123		684		-2,889	-4,802	1,761	-1,558
Gross – Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	810	7,462		628	1,555	824	54,293	1,247	
Net	R0200	2,070	340,187		300,009	256,012	52,659	724,644	202,616	-1,558
Premiums earned										
Gross – Direct Business	R0210	2,789	362,130		282,858	252,632	44,455	659,819	186,015	
Gross – Proportional reinsurance accepted	R0220	20	5,736		28,824	19,721	-162	79,067	23,632	-1,558
Gross – Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	810	7,249		700	2,089	2,291	38,903	1,424	
Net	R0300	1,999	360,617		310,982	270,264	42,002	699,983	208,223	-1,558
Claims incurred										
Gross – Direct Business	R0310	380	230,104		337,885	146,475	30,989	380,934	132,201	
Gross – Proportional reinsurance accepted	R0320	-6	224		278		83	1,663	5,635	680
Gross – Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	123	2,774		4,976	1,277	-2,126	14,392	3,384	
Net	R0400	251	227,554		333,187	145,198	33,198	368,205	134,452	680
Changes in other technical provisions										
Gross – Direct Business	R0410								223	
Gross – Proportional reinsurance accepted	R0420									
Gross – Non-proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500								223	
Expenses incurred	R0550	1,592	110,255		118,694	88,992	20,466	303,343	98,789	220
Other expenses	R1200									
Total expenses	R1300									

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

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

Amounts in thousands of euros		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 C0200
		Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120	Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160	
Premiums written									
Gross – Direct Business	R0110	87,911	12,030	13,389					2,063,696
Gross – Proportional reinsurance accepted	R0120								-6,908
Gross – Non-proportional reinsurance accepted	R0130				145	2,338	739	15,299	18,521
Reinsurers' share	R0140	42,182	5	149		562	282	8,365	118,364
Net	R0200	45,729	12,025	13,240	145	1,776	457	6,934	1,956,945
Premiums earned									
Gross – Direct Business	R0210	63,458	12,035	8,264					1,874,455
Gross – Proportional reinsurance accepted	R0220	404		9,563					165,247
Gross – Non-proportional reinsurance accepted	R0230				145	2,338	739	15,299	18,521
Reinsurers' share	R0240	19,346	5	177		562	282	8,365	82,203
Net	R0300	44,516	12,030	17,650	145	1,776	457	6,934	1,976,020
Claims incurred									
Gross – Direct Business	R0310	43,274	5,797	6,126					1,314,165
Gross – Proportional reinsurance accepted	R0320								8,557
Gross – Non-proportional reinsurance accepted	R0330				6	661	-1,453	4,275	3,489
Reinsurers' share	R0340	15,332		21		204	160	767	41,284
Net	R0400	27,942	5,797	6,105	6	457	-1,613	3,508	1,284,927
Changes in other technical provisions									
Gross – Direct Business	R0410								223
Gross – Proportional reinsurance accepted	R0420								
Gross – Non-proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								223
Expenses incurred	R0550	19,830	2,512	9,015		125	55	1,567	775,452
Other expenses	R1200								9,436
Total expenses	R1300								784,888

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

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

Amounts in thousands of euros		Line of Business for: life insurance obligations					Life reinsurance obligations		Total C0300
		Health insurance C0210	Insurance with profit participation C0220	Index-linked and unit-linked insurance C0230	Other life insurance C0240	Annuities stemming from non-life insurance contracts and relating to health insurance obligations C0250	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations C0260	Health reinsurance C0270	
Premiums written									
Gross	R1410	785,737	1,389,952	2,287,618	5,097,921		49,363	374,097	9,984,688
Reinsurers' share	R1420	22,177	39,226	782	154,345		1,444	648	218,622
Net	R1500	763,560	1,350,726	2,286,836	4,943,576		47,919	373,449	9,766,066
Premiums earned									
Gross	R1510	816,295	1,391,261	2,287,404	5,102,095		49,363	374,306	10,020,724
Reinsurers' share	R1520	22,268	39,193	782	159,680		1,444	648	224,015
Net	R1600	794,027	1,352,068	2,286,622	4,942,415		47,919	373,658	9,796,709
Claims incurred									
Gross	R1610	553,339	3,018,081	5,813,835	4,908,681		18,916	129,258	14,442,110
Reinsurers' share	R1620	7,584	33,790	4,174	49,509		-3,117		91,940
Net	R1700	545,755	2,984,291	5,809,661	4,859,172		22,033	129,258	14,350,170
Changes in other technical provisions									
Gross	R1710	-17,927	1,265,967	2,197,581	-582,575		-6,207	288,921	3,145,760
Reinsurers' share	R1720	88	10,638	985	123,942				135,653
Net	R1800	-18,015	1,255,329	2,196,596	-706,517		-6,207	288,921	3,010,107
Expenses incurred	R1900	217,937	318,705	376,228	931,374			14,530	1,858,774
Other expenses	R2500								109,910
Total expenses	R2600								1,968,684

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report 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 C0090	ES – Kingdom of Spain C0100	RO – Romania C0110	UK – United Kingdom of Great Britain and Northern Ireland C0120	PL – Republic of Poland C0130		
Amounts in thousands of euros	C0080						C0140	
Premiums written								
Gross – Direct Business	R0110	1,905,630	129,316	34,706	5,821	4,082	2,079,555	
Gross – Proportional reinsurance accepted	R0120	-6,907					-6,907	
Gross – Non-proportional reinsurance accepted	R0130	1,139				155	1,294	
Reinsurers' share	R0140	104,056	742	10,143	3,372	51	118,364	
Net	R0200	1,795,806	128,574	24,563	2,449	4,186	1,955,578	
Premiums earned								
Gross – Direct Business	R0210	1,713,492	130,528	32,619	5,693	7,982	1,890,314	
Gross – Proportional reinsurance accepted	R0220	165,247					165,247	
Gross – Non-proportional reinsurance accepted	R0230	1,139				155	1,294	
Reinsurers' share	R0240	68,497	742	9,532	3,372	61	82,204	
Net	R0300	1,811,381	129,786	23,087	2,321	8,076	1,974,651	
Claims incurred								
Gross – Direct Business	R0310	1,262,293	57,387	14,882	328	-15,858	7	1,319,039
Gross – Proportional reinsurance accepted	R0320	6,164	2,364					8,528
Gross – Non-proportional reinsurance accepted	R0330	-1,381	-388				88	-1,681
Reinsurers' share	R0340	33,402	2,428	5,294	155		3	41,282
Net	R0400	1,233,674	56,935	9,588	173	-15,858	92	1,284,604
Changes in other technical provisions								
Gross – Direct Business	R0410					223		223
Gross – Proportional reinsurance accepted	R0420							
Gross – Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500					223		223
Expenses incurred	R0550	692,758	69,668	6,070	819	920	5,217	775,452
Other expenses	R1200							9,370
Total expenses	R1300							784,822

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.05.02.01 Premiums, claims and expenses by country 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 C0090	BE – Kingdom of Belgium C0100	HE – Hellenic Republic C0110	ES – Kingdom of Spain C0120	PL – Republic of Poland C0130		
Amounts in thousands of euros	C0080					C0140		
Premiums written								
Gross	R1410	3,630,497	3,473,316	794,350	401,508	543,950	396,921	9,240,542
Reinsurers' share	R1420	35,661	120,248	11,702	6,028	36,646	2,045	212,330
Net	R1500	3,594,836	3,353,068	782,648	395,480	507,304	394,876	9,028,212
Premiums earned								
Gross	R1510	3,667,961	3,473,316	794,446	401,102	542,981	394,918	9,274,724
Reinsurers' share	R1520	41,161	120,248	12,014	6,028	36,285	2,045	217,781
Net	R1600	3,626,800	3,353,068	782,432	395,074	506,696	392,873	9,056,943
Claims incurred								
Gross	R1610	6,548,300	4,848,681	1,347,189	240,528	536,102	246,672	13,767,472
Reinsurers' share	R1620	47,805	-806	6,053	2,169	34,867	976	91,064
Net	R1700	6,500,495	4,849,487	1,341,136	238,359	501,235	245,696	13,676,408
Changes in other technical provisions								
Gross	R1710	1,320,085	1,752,210	448,655	-118,216	-50,255	-176,934	3,175,545
Reinsurers' share	R1720	144,073	-25,834	17,701		-410		135,530
Net	R1800	1,176,012	1,778,044	430,954	-118,216	-49,845	-176,934	3,040,015
Expenses incurred	R1900	773,173	402,885	204,867	79,113	91,556	95,797	1,647,391
Other expenses	R2500							107,489
Total expenses	R2600							1,754,880

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.22.01.22 Impact of long-term guarantees and transitional measures

Amounts in thousands of euros		Amount with Long-Term Guarantee measures and transitionals C0010	Impact of transitional on technical provisions C0030	Impact of transitional on interest rate C0050	Impact of volatility adjustment set to zero C0070	Impact of matching adjustment set to zero C0090
Technical provisions	R0010	155,085,557	567,377	126,937	595,798	
Basic own funds	R0020	17,120,505	-425,533	-126,937	-447,795	
Eligible own funds to meet Solvency Capital Requirement	R0050	15,411,567	-104,278	-77,663	-59,100	
Solvency Capital Requirement	R0090	7,731,205		-4,172	4,619,081	

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 page 23 to 24 in 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: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.23.01.22 Own funds

Amounts in thousands of euros		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	40,890	40,890			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	12,572,142	12,572,142			
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	-470,129	-470,129			
Subordinated liabilities	R0140	4,393,643		1,884,857	2,508,786	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	1,468,320				1,468,320
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	1,167,058	1,065,098		88,535	13,426
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210	171,567	171,567			
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	1,353,983	1,353,983			
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	617,724	617,724			
Total of non-available own fund items	R0270	1,338,625	1,236,663		88,535	13,426
Total deductions	R0280	3,310,332	3,208,370		88,535	13,426
Total basic own funds after deductions	R0290	14,694,534	8,934,532	1,884,857	2,420,251	1,454,894

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.23.01.22 Own funds Continued

Amounts in thousands of euros		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	276,561	276,561			
Institutions for occupational retirement provision	R0420	193,061	193,061			
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	469,622	469,622			
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	617,724	617,724			
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	617,724	617,724			
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	14,694,534	8,934,532	1,884,857	2,420,251	1,454,894
Total available own funds to meet the minimum consolidated group SCR	R0530	13,239,640	8,934,532	1,884,857	2,420,251	
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	14,324,221	8,934,532	1,884,857	2,420,251	1,084,582
Total eligible own funds to meet the minimum consolidated group SCR	R0570	11,507,774	8,934,562	1,884,857	688,356	
Consolidated Group SCR	R0590	7,125,364				
Minimum consolidated Group SCR	R0610	3,441,779				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	2.01				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	3.34				
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	15,411,567	10,021,879	1,884,857	2,420,251	1,084,582
SCR for entities included with D&A method	R0670	251,314				
Group SCR	R0680	7,731,205				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1.99				

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

Reconciliation reserve

Amounts in thousands of euros

		C0060
Reconciliation reserve		Amount
Excess of assets over liabilities	R0700	14,085,160
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	473,937
Other basic own fund items	R0730	14,081,352
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	-470,129
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	1,692,804
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	87,230
Total Expected profits included in future premiums (EPIFP)	R0790	1,780,034

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

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

Amounts in thousands of euros Unique number of component/ Components description C0010/C0020	Calculation of the Solvency Capital Requirement	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
	C0030	C0050	C0060	C0070
Market Risk (SF)	2,107,205			2,107,205
Market Risk (PIM)	3,099,868			3,099,868
Counterparty Default Risk (SF)	586,311			586,311
Counterparty Default Risk (PIM)	80,906			80,906
Life Underwriting Risk (SF)	1,825,691			1,825,691
Life Underwriting Risk (PIM)	3,134,969			3,134,969
Health Underwriting Risk (SF)	198,442			198,442
Health Underwriting Risk (PIM)	253,645			253,645
Non-life Underwriting Risk (SF)	390,724			390,724
Non-life Underwriting Risk (PIM)	363,347			363,347
Operational Risk (SF)	305,575			305,575
Operational Risk (PIM)	371,765			371,765
Operational Risk (non-modelled SII entities)	105,180			
LAC TP (SF)	-39,868			-39,868
LAC TP (PIM)	-91,516			-91,516
LAC DT (SF)	-697,957			-697,957
LAC DT (PIM)	-1,090,164			-1,090,164

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.

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

Calculation of Solvency Capital Requirement

Amounts in thousands of euros		C0100
Total undiversified components	R0110	10,904,123
Diversification	R0060	-3,718,257
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	7,185,866
Capital add-ons already set	R0210	44,678
Solvency capital requirement for undertakings under consolidated method	R0220	7,230,544
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-131,384
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-1,788,121
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	164,960
Minimum consolidated group solvency capital requirement	R0470	3,441,779
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	249,347
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	112,667
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	136,680
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	251,314
Solvency capital requirement	R0570	7,731,205

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Belgium	549300P1862TXM0YEB58	LEI	NN Insurance Belgium N.V.	Life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Belgium	549300GVZDNBP9CS7220	LEI	NN Insurance Services Belgium N.V.	Non-life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Greece	21380015K5GPXUGHWP21	LEI	NN Hellenic Life Insurance Co. S.A.	Life insurer	S.A.	Non-mutual	Bank of Greece
Hungary	213800LJXKNQGWIT748	LEI	NN Biztosító Zártkörűen Működő Részvénytársaság	Life insurer	Részvény-társaság	Non-mutual	Magyar Nemzeti Bank (MNB)
Netherlands	72450089HOKNKBXZW470	LEI	NN Non-Life insurance N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	54930050LBZUR4138I72	LEI	NN Re (Netherlands) N.V.	Reinsurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500ZSI5VWIQ5PA676	LEI	Movir N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	7245000CR0LNYKWUS634	LEI	Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500L7T6JR7V9S1O28	LEI	Nationale-Nederlanden Levensverzekering Maatschappij N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Poland	259400RZ3933F1O8K604	LEI	Nationale Nederlanden Towarzystwo Ubezpieczen na Zycie S.A.	Life insurer	S.A.	Non-mutual	Narodowy Bank Polski (NBP)
Romania	549300GK7Z9RSNNVFB27	LEI	NN Asigurari de Viata S.A.	Life insurer	S.A.	Non-mutual	National Bank of Romania (BNR)
Slovakia	3157008IZ14ZP307A433	LEI	NN Životná poisťovňa, a.s.	Life insurer	A.S.	Non-mutual	Národná Banka Slovenska(NBS)
Spain	9598008SSVGKRKJMW92	LEI	Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	Non-life insurer	S.A.	Non-mutual	Banco de España
Spain	95980020140005328872	LEI	Nationale Nederlanden Vida, Compania de Seguros y Reaseguros. S.A.	Life insurer	S.A.	Non-mutual	Banco de España
United Kingdom	213800OPBGOC17TTI569	LEI	Nationale-Nederlanden Internationale Schadeverzekering Limited	Non-life insurer	Ltd.	Non-mutual	De Nederlandsche Bank (DNB)
Japan	549300Z97MFLU58LWK39	LEI	NN Life Insurance Company, Ltd.	Life insurer	Sa (KK)	Non-mutual	Financial Service Agency
Turkey	491142.2	SC	NN Hayat v e Emekliilik A.S.	Life insurer	A.S.	Non-mutual	Undersecretariat of Treasury
Romania	J40/475/1997.2	SC	NN Fond de Pensii SA Romania	Institutions for occupational retirement provision	S.A.	Non-mutual	Private Pension System Supervisory Commission

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Slovakia	35902981	SC	NN dôchodková správcovská spoločnosť a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	Office for Financial Market
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	Private Pension System Supervisory Commission (CSSPP)
Bulgaria	7644/98	SC	NN Pensionno-Osigoritelno Druzestvo EAD	Institutions for occupational retirement provision	EAD	Non-mutual	Financial Supervisory Commission
Czech Republic	315700R2GWHJJLOF7381	LEI	NN Penzijní společnost, a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	CNB (Central Bank of the Czech Republic)
Poland	42153	SC	NN Powszechne Towarzystwo Emerytalne S.A.	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority (FSA Poland)
Slovakia	35976853	SC	VSP 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	Orange Sigorta Aracilik 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)
Netherlands	724500BICUQ0LF1AH770	LEI	Nationale-Nederlanden Bank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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 S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	Financial Supervisory Authority (FSA 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	7245002XM4Y0LBZ60634	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: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	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	549300N0HHGLT70MM602	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	Mittelstand Senior Debt Investment 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	549300NC3SZTETC10349	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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	724500OHYNDR9OY6Q215	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	724500LSEYWJHXZ58E54	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)
Luxembourg	B135305	SC	NN Lux Insurance International S.A.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500G2BUPAFMEITB30	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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	Unlimited with Shares	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33002024	SC	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)
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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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)
Netherlands	27358886	SC	Nationale Nederlanden Premium Pension Institution 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	070030000000	LEI	Delta Lloyd Houdstermaatschappij België 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	7245007X530SIRYT9D39	LEI	Delta Lloyd Bank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	7245004GRXEQMAFHLV35	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	095010000000	SC	Delta Lloyd Bewaarder 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: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	CE0900000000	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	095060000000	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	CE0001300000	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	72450062FIU07Q46VO29	LEI	Delta Lloyd Treasury 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	030000000000	SC	Delta Lloyd 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)
Belgium	52990088RFZA2TMUQZ78	LEI	Delta Lloyd Life N.V.	Life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Netherlands	100000000000	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	000150200000	SC	Delta Lloyd Zorg 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	724500C0318G5NC49U52	LEI	Delta Lloyd Schadeverzekering N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	72450040C5A07ZIA327	LEI	Delta Lloyd Levensverzekering N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	010050230000	SC	Delta Lloyd Vastgoed Participaties 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	010050080020	SC	Delva 3 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	010050080010	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	010050900000	SC	BeFrank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	010050900100	SC	BeFrank PPI N.V.	Institutions for occupational retirement provision	N.V.	Non-mutual	De Nederlandsche Bank (DNB)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	070050060000	SC	Delta Lloyd Life VRFI 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	070050050000	SC	Delta Lloyd Life Invest (Belgium) 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	030041000000	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	724500FWP7OWHQUBMZ62	LEI	ABN AMRO Levensverzekering N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	030031000000	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	724500G3PJTYPL2L9M11	LEI	ABN AMRO Schadeverzekering N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	096000000000	SC	DLAM 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	724500P8EKQ2FYDW4R86	LEI	Delta Lloyd Asset Management N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	27151163	SC	NN Investment Partners International Holdings B.V.	Credit institutions, investment firms and financial institutions	B.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	27132220	SC	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)
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) 2015/36	Zrt	Non-mutual	N.A. (Undertaking not regulated)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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)
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 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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	25506	SC	CBRE Dutch Residential fund I 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	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)
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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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	549300SYDRSAP88SFX73	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Spain	25496	SC	Mirtocan Spain 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)
Netherlands	24823	SC	Robeco Bedrijfsleningen 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	25516	SC	Achmea Dutch Health Care Property 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)
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)
France	420 292 047 R.C.S Paris	SC	Le Havre LaFayette SNC	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Netherlands	23777	SC	CBRE French Residential 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	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	529900A8S3UCVRGEL132	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 FGR	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: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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)
Guernsey	23776	SC	CBRE Property Fund Central Europe 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	24280682	SC	Novaprojecta 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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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)
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 & Cp. 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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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	724500AM4MYHCTRLF551	LEI	N.V. Levensverzekering-Maatschappij “De Hoop”	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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)
France	9695007C09I6DB3ER958	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	27330069	SC	Van Ameyde 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	724500FK6HE2QUL3B962	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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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 Anonim Sirketi	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 Docs 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	32136990	SC	Dasym Investments 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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Country	Identification code of entity	Type of code of the ID of the Undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
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 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	9695007C09I6DB3ER958	LEI	Parquest capital B II 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	904201040000	SC	CFI Invest 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)

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision	Date of decision if art. 214 is applied	Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria			Yes/No		
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Insurance Belgium N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Services Belgium N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Hellenic Life Insurance Co. S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Biztosító Zártkörűen Működő Részvénytársaság	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Non-life insurance N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Re (Netherlands) N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Movir N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Towarzystwo Ubezpieczen na Zycie S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Asigurari de Viata S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Životná poisťovňa, a.s.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision	Date of decision if art. 214 is applied	Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros, S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Internationale Schadeverzekering Limited	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Life Insurance Company, Ltd.	100	100	100		Dominant	100	Included into scope of group supervision		Method 2: Local rules
NN Hayat v e Emekliilik A.S.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Fond de Pensii SA Romania	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN dôchodková správcovská spoločnosť a.s.	100	100	100		Dominant	100	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	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN Pensionno-Osigoritelno Druzestvo EAD	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN Penzijní společnost, a.s.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN Powszechne Towarzystwo Emerytalne S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
VSP Tatry – Sympatia, d.d.s., a.s.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria			Yes/No		
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Orange Sigorta Aracılık Hizmetleri A.S.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Bank N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
Zicht B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Uslugi Finansowe S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Intertrust B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Private Equity Investments II B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Wijkertunnel Beheer I B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
REI Investment I B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Private Equity Investments B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Korea Investment Fund B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Investment Partners Holdings N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and under method 1, treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Mittelstand Senior Debt Investment B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Interfinance B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Support Nederland B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Holdinvest B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Group N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance International B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Lux Insurance International S.A.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Eurasia N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Nederland B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Overseas Finance and Investment Company	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Continental Europe Holdings B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Infrastructure Debt Investments B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and under method 1, treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
AZL N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Management Services, s.r.o	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Personeel B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Operations (Ireland) Limited	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Premium Pension Institution B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Houdstermaatschappij België B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Bank N.V. (Netherlands)	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
Amstelhuys N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Bewaarder N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Services B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Cyrte Investments B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and under method 1, treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Delta Lloyd Treasury B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd ABN AMRO Verzekeringen Holding B.V.	51	100	51		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Life N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
OHRA Hypotheken Fonds N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Zorg B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Schadeverzekering N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Levensverzekering N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Vastgoed Participaties B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delva 3 B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Vastgoed Ontwikkeling B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
BeFrank N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
BeFrank PPI N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and under method 1, treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Delta Lloyd Life VRFI B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Life Invest (Belgium) N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Verzekeringen B.V.	51	100	51		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Levensverzekering N.V.	51	100	51		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Assuradeuren B.V.	51	100	51		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
ABN AMRO Schadeverzekering N.V.	51	100	51		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
DLAM Holding B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Delta Lloyd Asset Management N.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN Investment Partners International Holdings B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
NN Investment Partners B.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Sectoral rules
IFB Management Holdings Sdn Bhd	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Finance s.r.o.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision	Date of decision if art. 214 is applied	Method used and treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria			Yes/No		
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Lease SRL	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Conglomerado de Valores, S.A. de C.V.	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	100	100	100		Dominant	100	Included into scope of group supervision		Method 1: Full consolidation
Covasa Servicios México, S.A. de C.V.	100	100	100		Dominant	100	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 L.P.	9.59	9.59	9.59		Significant	9.59	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Residential fund I 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
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

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Inclusion in the scope of Group supervision		Date of decision if art. 214 is applied	Method used and treatment of the undertaking	
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation			Yes/No
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
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
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
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 Professional Housing Fund FGR	49.32	49.32	49.32		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
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
Mirtocan Spain S.L.	48.50	48.50	48.50		Significant	48.50	Included into scope of group supervision		Method 1: Adjusted equity method
Robeco Bedrijfsleningen FGR	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 FGR	23.50	23.50	23.50		Significant	23.50	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
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
Le Havre LaFayette SNC	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 French Residential Fund C.V.	41.68	41.68	41.68		Significant	41.68	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 FGR	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
CBRE Property Fund Central Europe L.P.	25.00	25.00	25.00		Significant	25.00	Included into scope of group supervision		Method 1: Adjusted equity method
Novaprojecta C.V.	49.50	49.50	49.50		Significant	49.50	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision Yes/No	Date of decision if art. 214 is applied	Group solvency calculation Method used and treatment of the undertaking
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
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
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 & Cp. 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

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Inclusion in the scope of Group supervision		Group solvency calculation		
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Date of decision if art. 214 is applied	Method used and treatment of the undertaking	
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
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
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
Van Ameyde Services B.V.	50.56	50.56	50.56		Significant	50.56	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

Appendix 1: Quantitative Reporting Templates that form part of the Solvency and Financial Condition Report Continued

S.32.01.22 Undertakings in the scope of the group Continued

Legal Name of the undertaking	Criteria of influence				Level of influence	Proportional share used for group solvency calculation	Inclusion in the scope of Group supervision	Date of decision if art. 214 is applied	Group solvency calculation
	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria					
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Konut Kredisi Com Tr Danismanlik Anonim Sirketi	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 Docs 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 III B.V.	22.83	22.83	22.83		Significant	22.83	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 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 B II FPCI	29.13	29.13	29.13		Significant	29.13	Included into scope of group supervision		Method 1: Adjusted equity method
CFI Invest C.V.	21.81	21.81	21.81		Significant	21.81	Included into scope of group supervision		Method 1: Adjusted equity method

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We welcome input from our stakeholders. If you would like to provide us with feedback, please feel free to contact us via external.communications@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 2017 NN Group Consolidated annual accounts, except as indicated in chapter D 'Valuation for Solvency Purposes' of the 2017 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 2017 Annual Report 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 euro or European Union countries leaving the European Union, (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 and the interpretation and application thereof, (13) changes in the policies and actions 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 us 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 the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by NN Group and/or related to NN Group.

Any forward-looking statements made by or on behalf of NN Group in this Annual Report 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.

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