

Solvency and Financial Condition Report 2019

NN Group N.V.



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 2019 Annual Report ('Annual Report'). In order to ensure the most transparent and user-friendly approach, the information that is already included in the Annual Report (including the Consolidated annual accounts, the Annual review and the Financial Report) is not duplicated in this SFCR. Therefore, this SFCR is prepared as a supplement to NN Group's Annual Report. It includes all information required to be disclosed in the SFCR, either through a specific reference to the Annual Report or as supplemental information.

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

NN Group is required to submit the so-called Quantitative Reporting Templates ('QRTs') to its supervisor Dutch Central Bank ('DNB'). A subset of these QRTs, which are required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2019, are included in the appendix to this SFCR.

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

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

Chapter A 'Business and performance' describes the overall business profile and structure of NN Group. It also provides insight into the underwriting and investment performance of NN Group. Chapter B 'System of governance' 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 2019

There were no material changes to NN Group during 2019.

Included below is an overview of certain events, that impacted the group structure of NN Group; these are individually and in aggregation not material to NN Group.

- As of 1 January 2019, the legal merger of Delta Lloyd Levensverzekering N.V. ('DL Life') into Nationale-Nederlanden Levensverzekering Maatschappij N.V. (NN Life) became effective. As a result, DL Life ceased to exist as a separate legal entity and NN Life assumed all assets and liabilities of DL Life, including its subordinated notes of EUR 500 million, under universal title of succession.
- As of 1 January 2019, the legal merger of Delta Lloyd Schadeverzekering N.V. ('DL Non-life') into Nationale-Nederlanden Schadeverzekering Maatschappij N.V. (NN Non-life) became effective. As a result, DL Non-life ceased to exist as a separate legal entity.
- On 1 January 2019, all individual disability contracts of Delta Lloyd Schadeverzekering N.V. in the Netherlands (AOV individual portfolio) have been transferred to Movir N.V.
- On 7 June 2019, NN Group and Athora announced that they reached a binding agreement with Dajia Insurance, previously known as Anbang Group Holdings Co Ltd, in respect of the acquisition of all activities of VIVAT. As part of the announced transaction, NN Non-life is to acquire 100% of the shares in VIVAT Non-life activities (VIVAT Schadeverzekeringen N.V.) for a consideration of EUR 416 million, as well as the intercompany loans that VIVAT N.V. has granted to VIVAT Non-life, for a consideration of EUR 150 million. The approvals for the acquisition are expected to be received in the first quarter of 2020. There was no impact in 2019.
- As of 1 October 2019, the legal merger of Aegon Pojistovna a.s. (Aegon Czech Life) into the Czech branch of NN Life became effective. As a result, Aegon Czech Life ceased to exist as a separate legal entity.
- As of 1 January 2020, the legal merger of Aegon Životná poisťovňa a.s. (Aegon Slovakia Life) into Životná poisťovňa a.s. (NN Slovakia Life) became effective. As a result, Aegon Slovakia Life ceased to exist as a separate legal entity.

Summary continued

Eligible Own Funds

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

Eligible Own Funds

In EUR million	2019	2018
Tier 1 (restricted and unrestricted)	14,615	13,539
Tier 2	2,474	2,433
Tier 3	703	755
Total Eligible Own Funds	17,792	16,727

Eligible Own Funds increased by EUR 1.1 billion from EUR 16.7 billion at 31 December 2018 to EUR 17.8 billion at 31 December 2019 mainly due to market variance and operating capital generation, partly offset by capital flows to shareholders. Market variance reflects the decrease of interest rates and positive equity revaluations, partly offset by the impact of movement in credit spreads.

Impact of long term guarantees and transitional measures

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

Solvency Capital Requirement

As at 31 December 2019, the SCR related to the Solvency II entities is based on NN Group's Partial Internal Model for the Dutch insurance entities (NN Life, NN Non-life, NN Re and Movir) and the Standard Formula for ABN AMRO Life, ABN AMRO Non-life and international insurance entities of NN Group.

Solvency Capital Requirement

In EUR million	2019	2018
Market Risk	4,558	4,055
Counterparty Default Risk	259	274
Non-Market Risk	6,745	5,883
Total BSCR (before diversification)	11,562	10,212
Diversification	-2,910	-2,638
Total BSCR (after diversification)	8,652	7,574
Operational Risk	704	659
LACDT	-1,732	-1,456
Other	-12	-10
Solvency II entities SCR	7,612	6,767
Non Solvency II entities	542	507
Total SCR	8,154	7,274

The Solvency Capital Requirement increased by EUR 0.9 billion, from EUR 7.3 billion at 31 December 2018 to EUR 8.2 billion at 31 December 2019. The increase is mainly driven by market variance reflecting the decrease of interest rates, positive equity revaluations and the impact of movements in credit spreads.

Summary continued

NN Group's Solvency II ratio

The Solvency II ratio of NN Group decreased to 218% at the end of 2019 from 230% at the end of 2018. The decrease is mainly driven by capital flows to shareholders and market variance, partly offset by operating capital generation. Market variance reflects the impacts of movements in credit spreads and the decrease of interest rates, partly offset by positive equity revaluations. Capital flows to shareholders reflect the 2019 interim dividend, the proposed 2019 final dividend and the EUR 500 million share buyback programme announced in February 2019.

The following table presents the solvency ratio of NN Group at year-end 2019 (and reported at year-end 2018):

Solvency ratio

In EUR million	2019	2018
Eligible Own Funds (EOF)	17,792	16,727
Minimum Capital Requirement (MCR)	3,810	3,357
Solvency Capital Requirement (SCR)	8,154	7,274
Surplus	9,638	9,453
Ratio (%) (EOF/SCR)	218%	230%

Subsequent event

On 13 February 2020, NN Group announced an open market share buyback programme for an amount up to EUR 250 million over a period of 12 months commencing 2 March 2020. The share buyback will be deducted from Solvency II Own Funds in full in the first quarter of 2020, whilst it will be deducted from IFRS shareholders' equity when the actual buyback transactions occur. NN Group intends to cancel all of the shares acquired under the programme.

Business and performance

A. Business and performance

Introduction

This chapter of the SFCR contains general information on NN Group, a simplified organisational structure, the scope of entities in Solvency II reporting and NN Group's financial performance over 2019.

A.1 Business

General

Reference is made to the section 'Corporate governance- General' of the 2019 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 2019 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 2019, there were no holders of qualifying holdings in NN Group.

Material lines of business and related undertakings

Reference is made to Note 30 'Segments' and Note 31 'Principal subsidiaries and geographical information' in the 2019 Consolidated annual accounts and the Annual Review for more information on the material lines of business and geographical areas of NN Group.

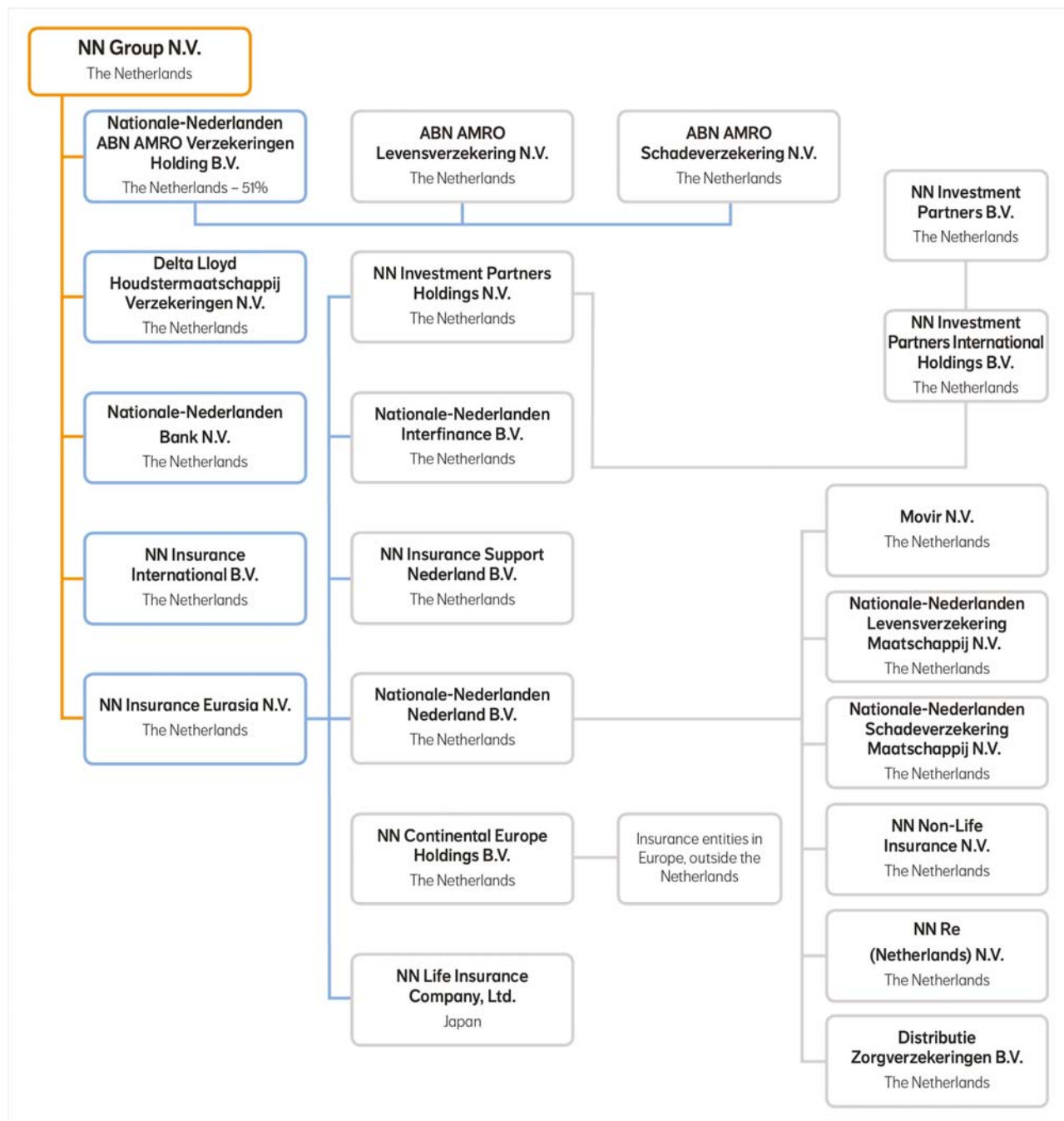
For information on any significant business events or other events that have occurred over the reporting period reference is made to the Financial developments section in the 2019 Financial Report.

Reference is made to Note '31 Principal subsidiaries and geographical information' in the 2019 Consolidated annual accounts for a list of material related undertakings and a description of the legal structure of NN Group. Reference is made to the section 'Corporate governance' of the 2019 Financial Report for information on the governance and organisational structure of NN Group.

Business and performance continued

Simplified group structure

The simplified group structure as at 31 December 2019 is as follows:



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

Business and performance continued

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

Basis of consolidation for financial (IFRS) reporting

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

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

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

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

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

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

NN Group owns 51% of the shares of Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V. (ABN AMRO Verzekeringen). ABN AMRO Verzekeringen is fully consolidated by NN Group, with a minority interest recognised of 49%. At 31 December 2019, the minority interest relating to ABN AMRO Verzekeringen recognised in equity was EUR 241 million (2018: EUR 222 million) (further reference is made to chapter E and Note 12 'Equity' in the 2019 Consolidated annual accounts).

Basis of consolidation for Solvency II reporting

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

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

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

Business and performance continued

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.

Relevant operations and transactions within the group

In the normal course of business, NN Group entities enter into various transactions with entities within the consolidated Group. These are described in chapter B.7 'Outsourcing'. In addition to the regular funding of the subsidiaries of NN Group, the central cash pooling activities for the Dutch subsidiaries by NN Group and the intra-group outsourcing arrangements, various intra-group transactions occurred in 2019 in the normal course of business. These include mainly:

- The utilisation of a credit facility between NN Interfinance and NN Life for an outstanding amount of EUR 500 million redeemed in 2019. The credit facility itself of EUR 1.500 also redeemed in 2019.
- Short term deposit lending due to cash management activities by NN Re to NN Group of EUR 100 million both issued and redeemed in 2019
- Short term deposit lending due to cash management activities by NN Life Belgium to NN Group of EUR 475 million both issued and redeemed in 2019
- Transfer of investments in equity securities from NN Life Belgium to NN Life (EUR 154 million)
- Transfer of investments in real estate from NN Life Belgium to NN Life (EUR 330 million)
- Transfer of investments in real estate from NN Life Belgium to REIM (EUR 126 million). REIM is an investment entity that is owed by several entities within NN Group and is fully consolidated by NN Group
- Transfer of investments in mortgage loans from NN Life to NN Life Belgium (EUR 540 million)
- Transfer of investments in mortgage loans from NN Bank to NN Life Belgium (EUR 108 million)
- Transfer of investments in mortgage loans from NN Life to NN Non-life (EUR 219 million)
- A reinsurance transaction between NN Re and NN Life regarding the former Aegon Czech Life exposure
- Two reinsurance transactions between NN Re and NN Life Japan relating to the COLI and the VA portfolios

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 2019 Financial Report and Note 30 'Segments' in the 2019 Consolidated annual accounts of NN Group. For the underwriting performance of entities in scope of Solvency II, reference is made to QRT S.05.01.02 'Premiums, claims and expenses by line of business' and QRT S.05.02.01 'Premiums, claims and expenses by country' in the Appendix.

Further reference is made to Note 21 'Investment income' in the 2019 Consolidated annual accounts of NN Group for information on income and expenses arising from investments by asset class and the components of such income and expenses.

Gains and losses on investments recognised directly in equity are disclosed in Note 12 'Equity'- revaluation reserve and in the Consolidated statement of comprehensive income in the 2019 Consolidated annual accounts of NN Group.

Information on investment in securitisations is included in Note 44 'Structured entities' in the 2019 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 2019 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 2019 are disclosed in notes 20-28 and the Financial developments section in the 2019 Financial Report of NN Group. Leasing arrangements are included in Note 8 'Property and equipment' in the 2019 Consolidated annual accounts.

A.5 Any other information

Reference is made to the Financial developments section in the 2019 Financial Report of NN Group for any other material information regarding the business and performance of NN Group.

System of governance

B. System of governance

Introduction

This chapter of the SFCR contains information on the system of the governance of NN Group in addition to governance information included in the NN Group 2019 Financial Report. The additional information includes relevant committees of the Executive Board, a description of the main roles and responsibilities of the key functions and NN Group’s approach to the ‘fit and proper’ requirements and Own Risk and Solvency Assessment.

B.1 General information on the system of governance

This chapter describes the structure of the committees, and explains the responsibilities, members and interdependencies of each committee. This chapter sets out the governance and control framework effective in 2019.

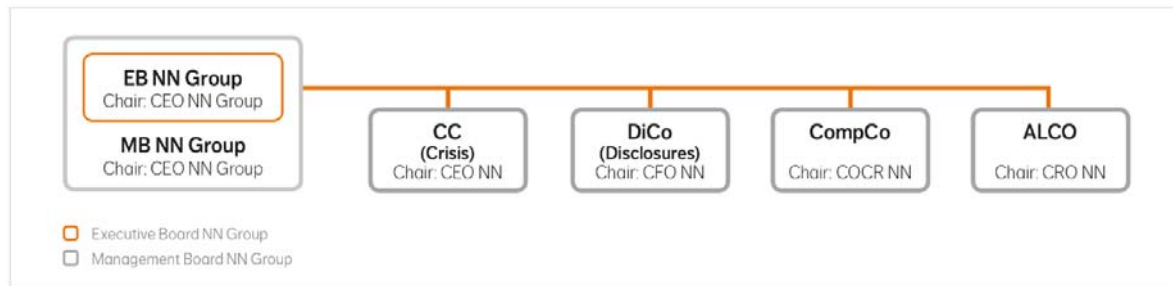
Structure of governance and changes in system of governance

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 2019 Financial Report and to the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm>. These sources also describe the main roles and responsibilities of these bodies, provide a brief description of the segregation of responsibilities within these bodies and describe their relevant committees.

EB committees

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

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



Crisis Committee

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

Disclosure Committee

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

Compensation Committee

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

Asset and Liability Committee

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

System of governance continued

Roles and responsibilities of key functions

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

Risk Function

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

Role

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

Responsibilities

Within the Management Board, the CRO is responsible for:

- Setting and monitoring compliance with NN Group's overall risk policies
- Formulating NN Group's risk management strategy and ensuring that it is implemented throughout the NN Group 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 member of the Management Board in relation to risk management.

Compliance Function

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

Role

To effectively manage business conduct risk, NN Group has a Compliance Function which is headed by a Chief Compliance Officer with delegated responsibility for day-to-day management of the Compliance Function. The Chief Compliance Officer is the Solvency II Key Function Holder for Compliance. The Chief Compliance Officer reports to the General Counsel, the Member of the Management Board responsible for the Legal Function and the Compliance Function. The Chief Compliance Officer steers an operationally independent Compliance organisation, which supports the first line in its decision-making, and which has sufficient countervailing power to prevent excessive risk taking (intentionally outside the risk appetite). This independent position is, amongst others, warranted by independent reporting, unrestricted access to the organisation at all levels as well as structural, periodic meetings of the Chief Compliance Officer with the General Counsel (responsible Management Board member for the Compliance Function) 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 support first line management in its decision-making, and which has sufficient countervailing power to prevent excessive risk taking (intentionally outside the risk appetite) for compliance risk. Effective compliance risk management helps NN to live up to and deliver on its strategic focus and values. It contributes to building trust in the company, both internally and externally, and protects NN's brand. It enables NN to meet its compliance obligations and protect it from financial loss or reputational damage. It improves the way NN interacts with its stakeholders, enables NN to maintain a sustainable business and provides the license to operate.

To this end the Compliance Function is responsible to:

- prepare policies, standards, guidance and charter for its specific risk control area in line with the relevant risk appetite
- encourage and objectively, as well as actively, challenge/monitor sound risk management throughout the organisation and coordinate the reporting of risks
- support the first line of defence in proper compliance risk management which includes balanced decision-making
- cooperate closely with the other second line functions and keep close contact with Corporate Audit Services.

At business unit level, management establishes and maintains a Compliance Function and appoints a Head of Compliance, or a Head of Legal & Compliance as the case may require, reporting hierarchically directly to the local CEO or to the local Head of Legal & Compliance and has a functional line (directly or indirectly) to the Chief Compliance Officer of NN Group.

Internal Audit Function

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

Actuarial Function

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

System of governance continued

Remuneration

NN Group has an overall remuneration policy described in the NN Group Remuneration Framework, which provides for reward guidelines and principles for all country and business unit remuneration policies within NN Group. NN Group aims to apply a clear and transparent remuneration policy that is adequate to attract and retain expert leaders, senior staff and other highly qualified employees. The remuneration policy is also designed to support NN Group's employees to act with integrity and to carefully balance the interests of our stakeholders, including the future of our clients and of our company. Reference is made to the Remuneration report as part of the 2019 Financial Report and Note 26 'Staff expenses' as disclosed in the 2019 Consolidated annual accounts of NN Group for information on the remuneration policy and practices regarding administrative, management and supervisory bodies and employees.

Transactions with related parties

Reference is made to Note 45 'Related parties' and Note 46 'Key management personnel compensation' in the 2019 Consolidated annual accounts of NN Group for information about material transactions during the reporting period. Section B.7 in this SFCR contains more information on intra-group outsourcing arrangements. Transactions with people who exercise a significant influence on NN Group and with members of the Management Board, Executive Board and Supervisory Board are disclosed in Note 46 'Key management personnel compensation' in the 2019 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 49 'Risk management' of the 2019 Consolidated annual accounts.

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

Reference is made to Note 49 'Risk management' in the 2019 Consolidated annual accounts of NN Group for a description of how the risk management and internal control systems and reporting procedures are implemented consistently throughout the Group.

Own risk and solvency assessment at group and entity level

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

B.2 Fit and proper requirements

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

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

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

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

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

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

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

System of governance continued

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

Description of NN Group’s risk management system

Reference is made to the paragraph ‘Risk management and control systems’ in the Corporate Governance section of the Financial Report. In addition, reference is made to Note 49 ‘Risk management’ in the 2019 Consolidated annual accounts of NN Group for a description of the risk management system, which comprises of strategies, processes and reporting procedures, and how NN Group is able to effectively identify, assess, monitor, manage and report, on a continuous basis, the risks to which NN Group is or could be exposed on an individual and aggregated level. In the same note, a description is included on how the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of NN Group.

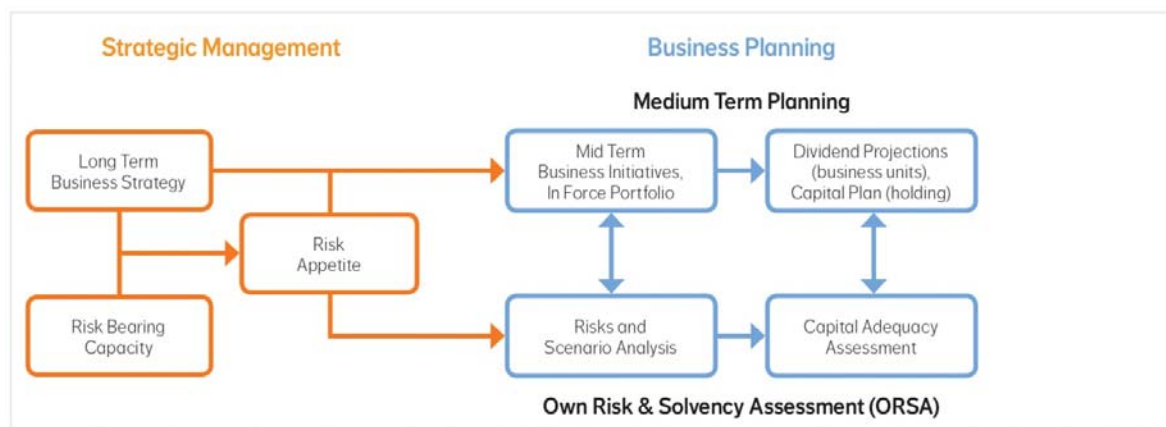
Own Risk and Solvency Assessment

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

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

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

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



Regular frequency

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

Similar as with the insurance entities, NN Group’s banking and investment management operations runs an annual internal capital adequacy assessment process (‘ICAAP’) and Internal Liquidity Adequacy assessment (‘ILAAP’) in conformity with Basel III requirements. ICAAP and ILAAP tests whether current capital positions are adequate for the financial risks that the relevant NN Group entities bear.

System of governance continued

Monitoring between regular ORSAs: possible ad-hoc ORSA

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

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 require. Yearly assessments are made in the first half of the year whether to adjust the strategy for developments in the past year and/or revised assumptions on the future. Setting (and adjusting) the risk appetite is inextricably part of strategy setting (and adjusting).

Risk Assessment

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

Appropriateness test of regulatory capital calculation

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

Capital projections

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

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

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

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

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

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

Stress testing and overall assessment of capital adequacy

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

Scenario testing, as well as (reverse) stress testing are required for each ORSA. At the same time, the group ORSA will assess any local stress scenarios that may significantly impact NN Group's capital position and perform statistical stress tests 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.

System of governance continued

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 2019 Financial report and in section B.1 'General information on the system of governance' above.

Model Validation

NN Group's Model Validation department aims to ensure that NN Group's models are fit for their intended purpose. For this purpose, Model Validation 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 and CFO, 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, based on a planning discussed and agreed with Model Development. It is not only a verification of the mathematics and/or statistics of the model, but encompasses both a quantitative and qualitative assessment of the model. Accordingly, the validation process covers a mix of developmental evidence assessment, process verification and outcome analysis.

The validation cycle determines the maximum period between two model validations. This means that each model in scope will be independently validated at least once within the validation cycle. In general, the length of the validation cycle relates to the relative materiality of the models in scope. In addition, reference is also made for more detail to Note 49 'Risk management' in the 2019 Consolidated annual accounts of NN Group.

B.4 The Internal control system and Compliance Function

Reference is made to Note 49 'Risk management' of the 2019 Consolidated annual accounts of NN Group for a description of the implementation of the Internal control system and Compliance Function.

B.5 Internal Audit Function

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

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

The General Manager and staff of CAS are authorised to:

- Obtain, without delay, from General Managers within NN Group, any significant incident concerning NN Group's operations including but not limited to security, reputation and/or compliance with regulations and procedures
- Obtain, without delay, from responsible managers within NN Group, a copy of all letters and reports received from external review agencies (e.g. external auditor, supervisors, regulators and other agencies providing assurance related services)
- 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. Once every 5 years independent external review takes place, which has been performed in Q4 2019 with General Conforms results.

System of governance continued

B.6 Actuarial Function

The primary objective of the Actuarial Function, that reports to the Group CFO and has a functional reporting line to the Group CRO, 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 customers, regulators and investors of the financial solidity of NN Group.

Representatives of the Actuarial Function are involved in daily actuarial and risk management operations. They will supply their expertise pro-actively where and when deemed relevant and when asked for. Particularly the Corporate Chief Actuary and the Actuarial Function Holders in the business units will provide an objective challenge in the review of the technical provisions as well as quality assurance on the underwriting policy and reinsurance arrangements. The Actuarial Function informs management and the supervisory board on its opinion on the adequacy and the reliability of the technical provisions, the adequacy of reinsurance arrangements and the underwriting policy at least on an annual basis through the Actuarial Function Report.

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 49 'Risk management' of the 2019 Consolidated annual accounts of NN Group for a description of the Actuarial Function.

B.7 Outsourcing

External Outsourcing arrangements

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

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

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

System of governance continued

Intra-group Outsourcing arrangements

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

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

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

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

B.8 Any other information

Reference is made to the Corporate Governance section and the Report of the Supervisory Board, both included in the NN Group 2019 Financial Report and the NN Group website: <https://www.nn-group.com/Who-we-are/Corporate-governance/Corporate-governance.htm> for other information regarding the system of governance of NN Group.

Risk profile

C. Risk profile

Introduction

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

Risk profile per risk category

Reference is made to Note 49 'Risk management' in the 2019 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 49 'Risk management' in the 2019 Consolidated annual accounts.

C.2 Market risk

Market risk is disclosed in Note 49 'Risk management' in the 2019 Consolidated annual accounts.

C.3 Counterparty risk (Credit risk)

Counterparty Default risk is disclosed in Note 49 'Risk management' in the 2019 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 49 'Risk management' in the 2019 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 49 'Risk management' in the 2019 Consolidated annual accounts.

C.6 Other material risks

Business conduct risk

Business conduct risk is the risk related to unethical or irresponsible corporate behaviour, inappropriate employee behaviour and customer suitability of products. For more details reference is made to Note 49 'Risk management' in the 2019 Consolidated annual accounts.

Concentration risks

NN Group does not have an appetite for risk concentration and manages concentration risk with a limit structure. More information on the mitigation of several types of concentration risk is included in Note 49 'Risk Management' in the 2019 Consolidated annual accounts.

Investing assets in accordance with the 'Prudent person principle'

Acceptable investments

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

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

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

Governance of investments

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

Risk profile continued

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

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

Chief Investment Officer

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

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

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

Solvency II sensitivity analysis

Reference is made to Note 49 'Risk Management' in the 2019 Consolidated annual accounts of NN Group for the outcome of the NN Solvency II sensitivities analysis.

Other material risks

Reference is made to the 2019 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 49 'Risk management' in the 2019 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 2019 Annual Review ('Our Risk Profile') for the Material risks that that NN Group is exposed to.

As at 31 December 2019, no material risks were transferred to special purpose vehicles outside NN Group. For the risks transferred to consolidated special purpose vehicles, reference is made to Note 44 'Structured entities' in the 2019 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 49 'Risk management' of the 2019 Consolidated annual accounts of NN Group for a description of the techniques used for mitigating risks and the processes for monitoring the continued effectiveness of these risk mitigation techniques.

Valuation for Solvency purposes

D. Valuation for Solvency purposes

Introduction

This chapter contains information on the valuation for solvency purposes of consolidated assets, insurance liabilities and other liabilities of NN Group and explains the differences with the valuations in the NN Group 2019 Consolidated annual accounts.

Reconciliation IFRS Balance sheet to Solvency II Balance sheet

As at 31 December 2019. In EUR million	IFRS	Consolidation scope	Valuation differences	Presentation differences	Solvency II
Assets					
Cash and cash equivalents	6,436	-4,165	0	-1,404	867
Financial assets at fair value through profit or loss and Available-for-sale investments	163,450	-21,110	97	4,141	146,578
Loans	61,768	-19,130	2,927	-336	45,229
Reinsurance contracts	988	-218	-11	0	759
Associates and joint ventures	5,457	4,083	-1,337	-186	8,017
Real estate investments	2,571	0	0	0	2,571
Property and equipment	465	-118	0	0	347
Intangible assets	995	-208	-787	0	0
Deferred acquisition costs	1,913	-1,119	-794	0	0
Deferred tax assets	84	-6	630	0	708
Other assets	4,470	-701	-28	-2,200	1,541
Total assets	248,597	-42,692	697	15	206,617
Equity					
Shareholders' equity (parent)	30,768	10	-14,887	250	16,141
Minority interests	260	-10	0	-250	0
Undated subordinated notes	1,764	0	0	-1,764	0
Total equity/ Excess of assets over liabilities	32,792	0	-14,887	-1,764	16,141
Liabilities					
Subordinated debt	2,409	0	185	1,889	4,483
Debt securities issued	1,992	0	0	-1,992	0
Other borrowed funds	7,614	-7,365	141	10,507	10,897
Insurance and investment contracts	168,251	-18,119	18,215	-9	168,338
Customer deposits and other funds on deposit	15,161	-15,161	0	0	0
Non-trading derivatives	3,232	-325	0	105	3,012
Deferred tax liabilities	4,030	-666	-2,992	0	372
Other liabilities	13,116	-1,056	35	-8,721	3,374
Total liabilities	215,805	-42,692	15,584	1,779	190,476
Total equity and liabilities	248,597	-42,692	697	15	206,617

Reference is made to the 2019 Consolidated annual accounts of NN Group for more detailed information on the IFRS Balance sheet ('Consolidated 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 49 'Risk Management' in the 2019 Consolidated annual accounts of NN Group due to classification and valuation differences to reflect a risk management view.

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

The valuation and presentation differences between IFRS and Solvency II resulting from differences in accounting principles and methods are explained in the sections below. For items where no valuation difference occurred, reference is made to Note 1 'Accounting policies', Note 33 'Fair value of financial assets and liabilities' and Note 34 'Fair value of non-financial assets' in the 2019 Consolidated annual accounts of NN Group for a description of the bases, methods and main assumptions used for their valuation.

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

Valuation for Solvency purposes continued

D.1 Assets

Accounting principles, methods and main assumptions used

In general, Solvency II valuation requires a market consistent approach to the valuation of assets and liabilities. The default reference framework for valuing assets and liabilities, other than technical provisions, is IFRS as endorsed by the European Union ('IFRS-EU'). The exception is if the IFRS valuation principle does not reflect a market consistent valuation (e.g. amortised cost). For main assumptions used in fair valuing assets, reference is made to Note 33 'Fair value of financial assets and liabilities' and to Note 34 'Fair value of non-financial assets' in the 2019 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 -1,404 million as at 31 December 2019 are caused by the presentation of short term deposits and money market funds as investments in the Solvency II balance sheet. Differences due to a different scope of consolidation amounted to EUR -4,165 million as at 31 December 2019.

Financial assets at fair value through profit or loss and Available-for-sale investments

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 4,141 million as at 31 December 2019 are caused by:

- Presentation of money market funds as investments under Solvency II, instead of their inclusion in cash and cash equivalents under IFRS
- Presentation of accrued interest as part of the investments, instead of a separate presentation as accrual under IFRS. Solvency II requires accrued interest to be presented as part of the investments ('dirty market value') and not separately as other assets as in the 2019 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 2019 Consolidated annual accounts of NN Group
- Presentation of cash collateral paid (deposits) as investments under Solvency II, instead of their presentation as other assets in the 2019 Consolidated annual accounts of NN Group

Differences due to a different scope of consolidation amounted to EUR -21,110 million as at 31 December 2019.

Valuation of certain Asset Backed Securities as investments under Solvency II, instead of their presentation as loans (at amortised cost) in the 2019 Consolidated annual accounts of NN Group resulted in a valuation difference of EUR 97 million as at 31 December 2019.

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 2019 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 2,927 million as at 31 December 2019.

Presentation differences of EUR -336 million as at 31 December 2019 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 2019 Consolidated annual accounts of NN Group ('clean market value')
- Presentation of short term deposits as investments under Solvency II, instead of their inclusion in cash and cash equivalents under IFRS
- The presentation of certain Asset Backed Securities as investments under Solvency II, instead of their presentation as loans in the 2019 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 -19,130 million as at 31 December 2019.

Reinsurance contracts

Reference is made to section D2 'Insurance and investment contracts' of this SFCR.

Valuation for Solvency purposes continued

Associates and joint ventures (Holdings in related undertakings)

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

In the Solvency II balance sheet, non-Solvency II entities are recognised as associates and measured at the local regulatory capital in accordance with the local (sectoral) rules instead of consolidating all balance sheet items line-by-line. Differences in Associates and joint ventures recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR 4,083 million as at 31 December 2019 (IFRS values). Valuation differences of EUR -1,337 million as at 31 December 2019 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 -186 million as at 31 December 2019 consists of receivables from associates that are presented as part of the other assets in the Solvency II balance sheet.

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

Real estate investments

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

Property and equipment

In the IFRS balance sheet, property in own use is reported at fair value. In the Solvency II balance sheet, property in own use is reported at market value. There are no significant valuation differences between IFRS and Solvency II for property in own use as fair value generally equals market value. In the IFRS balance sheet, equipment is reported at cost less depreciation. In the Solvency II balance sheet, equipment is reported at market value. There are no significant valuation differences between IFRS and Solvency II for equipment, as market value is generally not significantly different from depreciated cost. Differences in property and equipment recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -118 million as at 31 December 2019.

Intangible assets

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

Deferred acquisition costs

Deferred Acquisition Costs are not recognised for Solvency II purposes.

Deferred taxes

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

Reference is made to Note 32 'Taxation' of the 2019 Consolidated annual accounts of NN Group for more information on the origin of the recognition of deferred tax assets and the amount and expiry date of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the IFRS balance sheet.

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS. Differences in deferred tax assets due to differences in valuation of the underlying assets and liabilities amounted to EUR 630 million as at 31 December 2019.

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 -2,200 million as at 31 December 2019 consist of the different presentation of accrued interest and cash collateral amounts paid. 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 2019 Consolidated annual accounts of NN Group ('clean market value'). The cash collateral amounts paid is part of the investments (deposits) under Solvency II and no part of the other assets as in the 2019 Consolidated annual accounts of NN Group.

Differences in other assets recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -701 million as at 31 December 2019. Differences in valuation of other assets amounted to EUR -28 million as at 31 December 2019.

Changes in valuation bases

During 2019, 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.

Valuation for Solvency purposes continued

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

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 2019:

Value of technical provisions by Solvency II Business Line

As at 31 December 2019. In EUR million	Best Estimate Liabilities	Risk margin	Technical provisions
Technical provision per line of Business:			
1. Non-Life	2,143	97	2,240
2. Health similar to Non-Life	292	20	312
3. Life	122,245	6,457	128,702
4. Health similar to Life	3,319	244	3,563
5. Index-linked and Unit-linked	32,755	766	33,521
Total	160,754	7,584	168,338

Bases, methods and main assumptions used for solvency valuation

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

Best estimate of liabilities

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

At the end of 2019, the UFR for EUR under Solvency II was set at 3.90%. In April 2017, EIOPA published an updated methodology to derive the UFR and in line with this updated methodology, the calculated value of the UFR for EUR is 3.60%, but annual changes to the UFR will not be higher than 15 basis points. Therefore, the UFR for EUR is expected to decrease from 3.90% to 3.75% on 1 January 2020.

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

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

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

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

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

Reinsurance and other recoverables

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

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.

Valuation for Solvency purposes continued

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

Assumptions

Non-financial assumptions

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

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

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

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

Financial assumptions

NN Group follows EIOPA requirements in determining the basic risk-free rates and the VOLA to determine the relevant currency specific risk free rate term structure for valuation of Technical Provisions. Because EIOPA curves are not available in time for NN Group's entities to start their valuations, NN Group follows the EIOPA methodology to independently produce the curves. These are then compared to the published EIOPA curves when these are made available to ensure consistency between the EIOPA and the NN Group manufactured curves. At year-end 2019, the EIOPA and NN Group curves were consistent.

Changes in assumptions

During 2019, all Business Units reviewed their best estimate assumptions as part of the regular process and updated them where necessary to reflect new insights.

Options and guarantees

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

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

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

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

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

Valuation for Solvency purposes continued

Level of Uncertainty

For the level of uncertainty associated with the value of the technical provision, reference is made to Note 49 'Risk Management' in the 2019 Consolidated annual accounts of NN Group.

Main differences between IFRS and Solvency II valuation of technical provisions

As at 31 December 2019. In EUR million	IFRS	Consolidation scope	Valuation and presentation differences	Solvency II
Technical provision per line of Business:				
1. Non-Life	2,505	0	-265	2,240
2. Health similar to Non-Life	317	0	-5	312
3. Life	128,200	-16,117	16,619	128,702
4. Health similar to Life	3,523	0	40	3,563
5. Index-linked and Unit-linked	33,706	-2,002	1,817	33,521
Total	168,251	-18,119	18,206	168,338

Summary of main differences between IFRS and Solvency II as at 31 December 2019

At 31 December 2019, the valuation and presentation differences between the insurance and investment contracts recognised in the IFRS balance sheet and the technical provisions recognised in the Solvency II balance sheet of NN Group amounted to EUR 18,206 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
- The BEL in Solvency II is 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
- Different interest rates are used for calculation of insurance and investment contracts under IFRS and Solvency II. For Solvency II a risk-free interest rate curve with credit risk, VOLA and UFR where applicable is used. None of the entities within NN Group apply a matching adjustment. For IFRS a fixed interest rate/guaranteed technical interest rate is used and for certain non-life insurance contracts discounting is not applied
- The present value of future profits is recognised in Solvency II technical provisions but not in IFRS insurance liabilities
- The difference between IFRS and Solvency II provisions is primarily reflected in the Life line of Business, where IFRS insurance liabilities largely reflect assumptions - interest, mortality, morbidity, expense, etc. - locked-in at policy issue, which can depart significantly from the best estimate assumptions reflected in the Solvency II provisioning
- For index-linked and unit-linked insurance, the IFRS insurance liabilities are equal to the fund value of these contracts. For Solvency II technical provisions, the present value of the margins is deducted from the fund value

Differences in technical provisions recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation caused by NN Life Japan amounted to EUR -18,119 million as at 31 December 2019.

Valuation for Solvency purposes continued

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

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

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

on:

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

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

Transitional on technical provisions

NN Group applies the transitional measures on technical provisions for its insurance businesses in Belgium and Spain. These transitional measures resulted in a reduction of EUR 682 million in technical provisions, contributing EUR 512 million (after tax) to Basic Own Funds before deductions as at 31 December 2019. The impact on Basic Own Funds after deductions and on Eligible Group Own Funds is partly mitigated because of the deduction of the excess non available Own Funds. Therefore, the net impact on Eligible Own Funds is EUR 374 million. These transitional measures had no impact on the SCR as at 31 December 2019.

Transitional on the risk-free interest rates

NN Group applies the transitional measures on the risk-free interest rates for its insurance business in Greece. These transitional measures resulted in a reduction of EUR 169 million in technical provisions as at 31 December 2019. The impact on Basic Own Funds after deductions and on Eligible Group Own Funds is partly mitigated because of higher excess non available Own Funds. Therefore, the net impact on Eligible Own Funds is EUR 61 million. These transitional measures had no impact on the SCR as at 31 December 2019.

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 2019, the level of the VOLA for the Euro currency was 7 bps (31 December 2018: 24 bps). The application of the VOLA resulted in a reduction of EUR 1,135 million in technical provisions, contributing EUR 880 million (after tax) to Basic Own Funds after deductions and Eligible Own Funds as at 31 December 2019.

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 approach is approved by DNB, in particular to ensure appropriate risk incentives on asset allocation decisions. NN Group also shocks all government bonds and its mortgage portfolio in the calculation of spread risk capital requirements for the Partial Internal Model entities. Under the Standard Formula no capital is required to be held against spread risk arising from these assets, whereas under the Partial Internal Model substantial capital is held against these risks.

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

The impact of removing the VOLA from Own Funds decreased in 2019 versus 2018 as the level of the VOLA in the yield curve as published by EIOPA decreased.

Valuation for Solvency purposes continued

D.3 Other liabilities

Subordinated debt, Debt securities issued and Other borrowed funds

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

Valuation differences between IFRS and Solvency II for Subordinated debt of EUR 185 million and other borrowed funds of EUR 141 million represent the difference between amortised cost and market value, excluding an own credit element.

Presentation differences include the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest-bearing liabilities ('dirty market value') and not separately as other liabilities as in the 2019 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 1,889 million as at 31 December 2019.

Debt securities issued in IFRS is presented as other borrowed funds in Solvency II, causing a presentation difference of EUR -1,992 million.

The presentation differences in the other borrowed funds of EUR 10,507 million is for EUR 1,992 million transferred from Debt securities issued. The remaining part is mainly the cash collateral amounts received for derivatives.

Differences due to a different scope of consolidation amounted to EUR -7,365 million for the other borrowed funds as at 31 December 2019.

Customer deposits and other funds on deposit

NN Bank is the only group entity carrying Customer deposits. As NN Bank is reported as Other Financial Sector entity and thus not consolidated for Solvency II purposes, no Customer deposits and other funds on deposit are recognised in the Solvency II balance sheet. This results in a consolidation difference amounted to EUR -15,161 million as at 31 December 2019.

Non-trading derivatives

Main difference is due to different scope of consolidation amounted to EUR -325 million which is related to NN Bank and NN Life Japan.

Liabilities for employee benefits

No significant liability for employee benefits exists in NN Group.

Deferred tax liabilities

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS (reference is made to section D.1 'Assets'- Other assets). However, due to the differences in valuation of assets and liabilities as set out in sections D.1 'Assets', D.2 'Insurance and investment contracts' and D.3 'Other liabilities', EUR 2,992 million lower deferred tax liabilities are recognised in the Solvency II balance sheet as at 31 December 2019. Differences due to a different scope of consolidation amounted to EUR -666 million as at 31 December 2019.

Other liabilities

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

Presentation differences amounted to EUR -8,721 million as at 31 December 2019 of which the main part (the cash collateral received) is transferred to Other borrowed funds. Presentation differences also include the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest bearing liability ('dirty market value') and not separately as other liabilities as in the 2019 Consolidated annual accounts of NN Group ('clean market value').

Differences due to a different scope of consolidation amounted to EUR -1,056 million as at 31 December 2019.

Contingent liabilities and provisions

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

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

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

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

Valuation for Solvency purposes continued

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

- A recognition difference: contingent liabilities are not recognised in the IFRS balance sheet, but are recognised in the Solvency II balance sheet if the exposure can be reliably estimated
- A measurement difference: provisions are measured in the IFRS balance sheet using the best estimate outcome (i.e. the full amount that may be incurred), while Solvency II requires a provision for the probability weighted outcome (i.e. the probability multiplied by the impact of the differences as at 31 December 2019)

For more details on other provisions and contingent liabilities, reference is made to Note 41 'Contingent liabilities and commitments' and Note 42 'Legal proceedings' in the 2019 Consolidated annual accounts of NN Group.

The valuation difference between IFRS and Solvency II for provisions and contingent liabilities had no material impact at 31 December 2019.

Leasing

Leasing arrangements are included in Note 8 'Property and equipment' in the 2019 Consolidated annual accounts.

Expected profits in future premiums

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

Outflow of economic benefits

For the expected timing of the outflows of economic benefits reference is made to Note 37 'Liabilities by maturity' in the 2019 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 49 'Risk management' in the 2019 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 2019

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

D.4 Alternative methods for valuation

Differences within NN Group

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

Alternative valuation methods used

Alternative valuation methods are used by NN Group to determine the fair value of assets and liabilities if quoted market prices in active markets are unavailable. Reference is made to Note 33 'Fair value of financial assets and liabilities' and Note 34 'Fair value of non-financial assets' in the 2019 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 2019 Consolidated annual accounts of NN Group. The valuation methods used if the markets are inactive are described in Note 33 'Fair value of financial assets and liabilities'.

Estimation uncertainties

Reference is made to 'Strategy and value creation' in the 2019 Annual Review of NN Group for assumptions and judgments used including those about the future. For the major sources of estimation uncertainty, reference is made to Note 49 'Risk Management' in the 2019 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 50 'Capital and liquidity management' in the 2019 Consolidated annual accounts of NN Group for:

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

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

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

NN Group did not have Ancillary Own Funds during 2019 or as at 31 December 2019.

Impact of long term guarantees and transitional measures

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

Items deducted from Own Funds

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

Capital management continued

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

- Dividends (interim and final)
Under IFRS and Solvency II, dividends are deducted from equity when these are declared. Dividends are declared when these are approved. Interim dividends are approved when decided by the Executive Board. Final dividends are to be approved by the General meeting of Shareholders.
In addition, under Solvency II, proposed dividends that are not yet finally approved but form part of the appropriation of the net result for the year are foreseeable dividends as from the date the decision to distribute has been made by the Executive Board. If such decision is made after the balance sheet date but before the publication date, these are reflected as foreseeable dividends. Dividends that are approved after the balance sheet date and relate to the new period/year (i.e. are not part of the appropriation of the result for the period), are not reflected as foreseeable dividends at the reporting date.
- Coupons on undated notes
Certain funding transactions through undated perpetual notes with discretionary interest payments qualify as equity under IFRS. Under IFRS, the coupons on these notes are deducted from equity when these become irrevocably due. This implies that coupons are deducted from equity at the earlier of the following dates:
 - On the date of payment
 - On the date on which the otherwise discretionary payment becomes contractually required; this may be the case when the contract specifies triggers for mandatory coupon payment, such as the declaration/payment of dividend on ordinary shares and/or a purchase of own shares within a certain period
- Under Solvency II, certain undated perpetual notes are recognised as Solvency capital. Coupon payments on such instruments are considered to be distributions and fall under the requirements for 'foreseeable dividends, distributions and charges'. Whilst a coupon may be discretionary (and, as such, there is no contractual requirement to pay), in normal circumstances it is expected that these will be paid. As such, these must be recognised as a foreseeable distribution on an accrual basis. If and when a trigger occurred under IFRS and the full annual coupon is already recognised under IFRS, the same amount is recognised under Solvency II. Consequently, the deduction from Solvency II Own Funds is the higher of the accrued amount (if no liability is recognised under IFRS) and the full annual coupon (if recognised under IFRS).
- Coupons on funding liabilities
Under IFRS, coupons on funding classified as liabilities are recognised on an accrual basis. Under Solvency II, certain funding liabilities are recognised as capital (Tier 1 or Tier 2). Coupons payable on these instruments are in scope of 'foreseeable dividends, distributions and charges'. Coupons are deducted from Own Funds on an accrual basis.
- Purchase of own shares
Under IFRS, (re)purchased own shares ('share buy backs') are deducted from equity upon execution of the repurchase (the so-called 'trade date'). In case of a share purchase programme that is executed over time, execution takes place at different points in time and, therefore, deduction from equity occurs at every specific execution date.
Under Solvency II, when own shares are (re)purchased, these are considered to be distributions to shareholders. As such, they fall under the requirements for 'foreseeable dividends, distributions and charges'. Purchases of own shares become foreseeable when the Executive Board has decided on a purchase. In case of a share purchase programme that is executed over time, but is decided upon as one programme, the full (maximum) repurchase under the programme is deducted from Own Funds at the date the Executive Board approves the programme. Quantitative explanation of the material differences between IFRS equity and excess assets over liabilities as calculated for solvency purposes is provided further in this section and section D 'Valuation for Solvency Purposes'.

Foreseeable dividends, distributions and charges amount to EUR 651 million and include the proposed final 2019 dividend of EUR 448 million, the remainder of the ongoing share buyback programme of EUR 77 million and the accrued coupons on the eligible subordinated debt of EUR 126 million.

Additional ratios

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

Analysis of significant changes in Own Funds

Reference is made to Note 50 'Capital and liquidity management' of the 2019 Consolidated annual accounts of NN Group for an analysis of significant changes in Own Funds.

The principal loss-absorbency mechanism

During 2019, subordinated liabilities issued by NN Group and recognised as Tier 1 solvency capital had no principal loss-absorbency mechanism in place.

Capital management continued

Reconciliation reserve

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

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

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

Reconciliation IFRS equity to Own Funds

Reconciliation IFRS equity to Solvency II Basic Own Funds

In EUR million	2019	2018
IFRS Shareholders' Equity	30,768	22,850
Minority interest	260	234
Elimination of deferred acquisition costs and intangible assets	-1,580	-1,441
Valuation differences on assets	2,888	833
Valuation differences on liabilities, including insurance and investment contracts	-18,577	-7,677
Deferred tax effect on valuation differences	3,622	1,571
Difference in treatment of non-Solvency II regulated entities	-1,240	-1,242
Excess of assets over liabilities	16,141	15,129
Deduction of participation in Bank	-930	-905
Subordinated loans	4,483	4,417
Foreseeable dividends and distributions	-651	-541
Basic Own Funds	19,043	18,100

The differences between IFRS Shareholders' Equity in NN Group's 2019 annual accounts and Solvency II Basic Own Funds of NN Group as at 31 December 2019 are mainly caused by:

- Consolidation differences: Other Financial Sector entities, including Institutions for Occupational Retirement Provision and insurance entities outside the European Economic Area (non-EEA) on equivalence basis (NN Life Japan) controlled by NN Group are not consolidated, but rather recognised as associate in the Solvency II balance sheet and measured based on local/relevant (sectoral) rules. The Own Funds of these entities are added separately to the Own Funds of NN Group
- Valuation differences:
 - Intangible assets are not recognised or recognised at nil under Solvency II
 - Deferred acquisition costs are not recognised for Solvency II purposes
 - Different measurement of:
 - 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:
 - Participation in NN Bank is excluded as NN Group is designated as FICO by DNB
 - Hybrid capital issued by NN Group to NN Bank is deducted to prevent double counting
 - Subordinated loans which are recognised as Solvency II capital are included
 - Foreseeable dividends and distributions are recognised for Solvency II purposes when determining the Basic Own Funds

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

Own Funds issued by other group entities

Reference is made to Note 50 'Capital and liquidity management' of the 2019 Consolidated annual accounts of NN Group for the Own Funds issued by NN Group entities.

Intra-group transactions

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

Capital management continued

Eligibility, transferability and fungibility of Own Funds

For the legal and supervisory limits on freely distributable capital, reference is made to Note 12 'Equity' of the NN Group 2019 Consolidated annual accounts. Reference is made to Note 50 'Capital and liquidity management' of the NN Group 2019 Consolidated annual accounts for the restrictions affecting eligibility, transferability and fungibility of Own Funds of NN Group and related undertakings.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

SCR

Reference is made to QRT S.25.02.22 in the Appendix and Note 49 'Risk management' of the 2019 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 they are expected to be recoverable. The determination of LAC DT is significantly dependent on various assumptions and local regulatory requirements, such as capitalisation assumptions, the assumed investment returns and the projection period

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

Deferred tax under Solvency II

The total deferred tax amount in Solvency II arises from:

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

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

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

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

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

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

Capital management continued

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

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

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

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

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

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

The total recoverable deferred tax amount in a Solvency II environment may come from various sources and includes both recoverability from items that never impact taxable profits and reverse over time as well as sources of profits and losses that would emerge in a Solvency II environment or a Solvency II environment after a SCR-type shock would have occurred. The recoverability is therefore based on an estimation of the total taxable results (including both income and expenses) that is expected to arise in a Solvency II environment after the shock. The sources of recoverability include all components of the estimated future taxable results, irrespective whether these are income ('profit') or expense ('loss'). In this calculation the reduction of the ultimate Dutch corporate income tax rate from 25% to 21.7% as of 2021, that was approved in December 2019, is included.

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

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

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

The net deferred tax asset is classified as Tier 3 capital. Tier 3 capital cannot exceed 15% of the Group Consolidated SCR. Further information on Tiering is included in Note 50 'Capital and liquidity management' in the 2019 Consolidated annual accounts of NN Group.

Minimum Capital Requirement

In EUR million	2019	2018
Eligible Own Funds to cover MCR	14,072	13,079
of which Tier 1 unrestricted	11,388	10,513
of which Tier 1 Restricted	1,922	1,895
of which Tier 2	762	671
MCR (or the sum of the MCR of the related undertakings)	3,810	3,357

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

Method of consolidation

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

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

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

Capital management continued

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

Internal Model vs Standard Formula

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

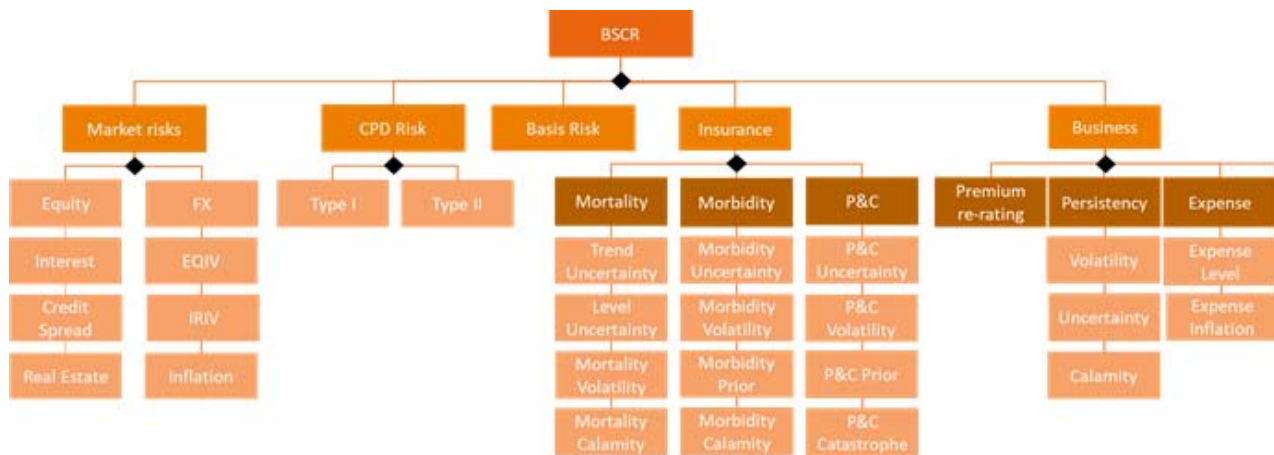
In particular:

- An Internal Model approach better reflects the specific assets and therefore the market risk in the portfolio of NN Life 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 exist in the NN portfolios
- The Internal Model accounts for the volatility adjustment by means of an approach recognizing the illiquidity of liabilities in the asset shocks. Reference is made to section D.2 (in paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure') for further information on NN Group's volatility adjustment

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

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

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



◆ = Correlation matrix or diversification factor

Capital management continued

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

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

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

- Interest Rate Risk:
 - The Internal Model incorporates non-parallel shocks to the curve as well instead of only two parallel shocks used in the Standard Formula
 - The Internal Model allows for shocking negative interest rates, whereas the Standard Formula does not
 - In the Internal Model, first, the shock is applied to the interest rates and then the resulting rates are extrapolated to the Ultimate Forward rate. In the Standard Model the interest rates are first extrapolated to the Ultimate Forward rate and afterwards the shock is applied
 - In the Internal Model interest rates converge to the UFR after shock and thereby follow the dynamics of the balance sheet, whereas in the Standard Formula there is no convergence to the UFR after shock
 - Equity Risk:
 - Level of shocks differs mainly because of the higher granularity in the Internal Model and calibration 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 EU members countries
 - 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
 - In contrast to the Standard Formula, the Internal Model recognises that exposure to volatility on credit spreads on our assets is mitigated by the illiquid nature of the liabilities through the Aligned Reference Portfolio (ARP) approach
 - Real Estate Risk:
 - Shock applied in the Standard Formula is calibrated to historical prices observed in the UK property market, which is less representative for NN Group's portfolio, while the shocks in the Internal Model are calibrated to historical prices observed in the property markets according to actual exposures of NN Group
 - Counterparty Default Risk:
 - Counterparty Default Risk module in the Standard Formula includes shocks applied to mortgage exposure, which are included under the Credit Spread module in the Internal Model
- Diversification within the Market Risk module:
- Risk aggregation within the Internal Model is performed on different level than in the Standard Formula: Internal Model captures the dependency between risk drivers, while Standard Formula correlates losses
- Life Risk:
 - Under the Internal Model, longevity risk (i.e. longevity trend uncertainty) is based on a multiyear model, whereas under the Standard Formula the longevity risk is estimated by permanently decreasing all mortality rates by the same fixed percentage

Structure of the Partial Internal Model

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

Capital requirements for operational risk are calculated in NN Group's entities based on the Standard Formula and added to the combined BSCR. Next, loss absorption effects from technical provisions and taxes are included. Furthermore, capital requirements for non-modelled entities are added to come to the SCR for Solvency II Entities. Finally, Non-Solvency II entities are added.

Capital management continued

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

SCR

In EUR million	2019	2018
Internal Model entities	7,448	6,435
Standard Formula entities	1,498	1,408
Diversification	-294	-269
Partial Internal Model BSCR	8,652	7,574
Operational Risk	704	659
Loss-Absorbing Capacity of Technical Provisions	-96	-102
Loss-Absorbing Capacity of Deferred Taxes	-1,732	-1,456
Non-modelled Solvency II Entities	84	92
Solvency II entities	7,612	6,767
Non-Solvency II entities	542	507
Total SCR	8,154	7,274

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

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

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

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

The material group diversification effects arise from:

- For diversification within market risks, reference is made to the 'Market risk capital requirements' table in Note 49 'Risk management' of the 2019 Consolidated annual accounts of NN Group
- For other diversifications, reference is made to Note 49 'Risk management' of the 2019 Consolidated annual accounts of NN Group

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

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

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

The use of the Internal Model

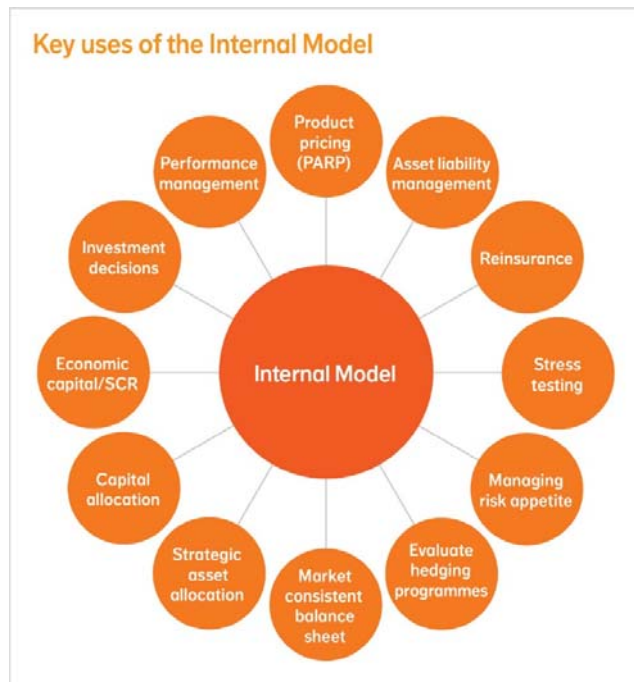
The Internal Model allows NN Group to treat different risk management activities in a consistent way:

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

The Internal Model is used for different purposes (NN Group uses the Internal Model to measure the Own Funds at Risk (or Regulatory Capital at Risk) across its entities). The Internal Model is used to measure and manage the risks at all levels within the company, thus covering the entire loss distribution. This information is not only used to determine the SCR to cover tail risks. It is also used for, amongst others, wider risk management, capital management and business decisions such as product pricing and asset allocation.

Capital management continued

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



The methods used in the Internal Model for determining the probability distribution for risks and the Solvency Capital Requirement

For the market risk models the Normal Inverse Gaussian ('NIG') distribution is mostly used. NIG distributions are a flexible set of distributions that allows modelling of fat-tailed and skewed distributions. For some market risk models, where fewer data points are available, the Normal distribution is 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 50 'Capital and liquidity management' in the 2019 Consolidated annual accounts of NN Group for more information on the entities in scope of NN Group's 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 50 'Capital and liquidity management' in 2019 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 event

On 13 February 2020, NN Group announced an open market share buyback programme for an amount up to EUR 250 million over a period of 12 months commencing 2 March 2020. The share buyback will be deducted from Solvency II Own Funds in full in the first quarter of 2020, whilst it will be deducted from IFRS shareholders' equity when the actual buyback transactions occur. NN Group intends to cancel all of the shares acquired under the programme.

Appendix

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

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

Reference number	Title	Description
S.02.01.02	Balance sheet	Balance sheet information using Solvency II valuation methodology
S.05.01.02	Premiums, claims and expenses by line of business	Information on premiums, claims and expenses using the valuation and recognition principles used in NN Group's Consolidated annual report
S.05.02.01	Premiums, claims and expenses by country	Information on premiums, claims and expenses by country using the valuation and recognition principles used 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 continued

S.02.01.02 Balance sheet

		Solvency II value C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	707,476
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	347,607
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	125,565,576
Property (other than for own use)	R0080	2,570,931
Holdings in related undertakings, including participations	R0090	8,017,382
Equities	R0100	4,459,212
Equities - listed	R0110	4,095,821
Equities - unlisted	R0120	363,392
Bonds	R0130	93,224,581
Government Bonds	R0140	64,073,517
Corporate Bonds	R0150	26,124,547
Structured notes	R0160	617,072
Collateralised securities	R0170	2,409,446
Collective Investments Undertakings	R0180	5,947,794
Derivatives	R0190	10,304,708
Deposits other than cash equivalents	R0200	840,537
Other investments	R0210	200,431
Assets held for index-linked and unit-linked contracts	R0220	32,440,756
Loans and mortgages	R0230	44,379,849
Loans on policies	R0240	478,013
Loans and mortgages to individuals	R0250	30,327,971
Other loans and mortgages	R0260	13,573,865
Reinsurance recoverables from:	R0270	758,742
Non-life and health similar to non-life	R0280	181,490
Non-life excluding health	R0290	176,662
Health similar to non-life	R0300	4,828
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	552,554
Health similar to life	R0320	36,810
Life excluding health and index-linked and unit-linked	R0330	515,744
Life index-linked and unit-linked	R0340	24,697
Deposits to cedants	R0350	8,763
Insurance and intermediaries receivables	R0360	656,770
Reinsurance receivables	R0370	209,189
Receivables (trade, not insurance)	R0380	470,414
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	867,001
Any other assets, not elsewhere shown	R0420	204,033
Total assets	R0500	206,616,175

Appendix continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	2,552,693
Technical provisions – non-life (excluding health)	R0520	2,240,265
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2,143,147
Risk margin	R0550	97,118
Technical provisions - health (similar to non-life)	R0560	312,428
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	292,504
Risk margin	R0590	19,924
Technical provisions - life (excluding index-linked and unit-linked)	R0600	132,264,642
Technical provisions - health (similar to life)	R0610	3,563,116
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	3,319,462
Risk margin	R0640	243,654
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	128,701,526
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	122,244,799
Risk margin	R0680	6,456,727
Technical provisions – index-linked and unit-linked	R0690	33,520,353
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	32,754,586
Risk margin	R0720	765,767
Other technical provisions	R0730	
Contingent liabilities	R0740	1,028
Provisions other than technical provisions	R0750	270,524
Pension benefit obligations	R0760	122,447
Deposits from reinsurers	R0770	320,787
Deferred tax liabilities	R0780	371,853
Derivatives	R0790	3,011,580
Debts owed to credit institutions	R0800	8,597,942
Financial liabilities other than debts owed to credit institutions	R0810	2,299,503
Insurance & intermediaries payables	R0820	1,464,558
Reinsurance payables	R0830	82,111
Payables (trade, not insurance)	R0840	947,471
Subordinated liabilities	R0850	4,482,934
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	4,482,934
Any other liabilities, not elsewhere shown	R0880	165,111
Total liabilities	R0900	190,475,537
Excess of assets over liabilities	R1000	16,140,638

Appendix continued

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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compen- sation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		482,370		387,624	300,067	69,993	931,867	242,785	
Gross - Proportional reinsurance accepted	R0120		-10				70	-648	-16	
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		12,067		268	1,227	548	24,006	295	
Net	R0200		470,293		387,356	298,840	69,515	907,213	242,474	
Premiums earned										
Gross - Direct Business	R0210		481,172		391,895	302,263	69,196	935,145	243,700	
Gross - Proportional reinsurance accepted	R0220		-10				70	-646	-16	
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		12,081		273	1,227	456	26,170	263	
Net	R0300		469,081		391,622	301,036	68,810	908,329	243,421	
Claims incurred										
Gross - Direct Business	R0310		262,552		290,368	177,321	31,258	456,207	119,112	
Gross - Proportional reinsurance accepted	R0320		332		413		4,428	-7,586	2,144	
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		2,490		3,128	479	-3,972	9,323	482	
Net	R0400		260,394		287,653	176,842	39,658	439,298	120,774	
Changes in other technical provisions										
Gross - Direct Business	R0410		76							
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500		76							
Expenses incurred	R0550		143,688		153,934	110,698	28,331	375,855	126,720	
Other expenses	R1200									
Total expenses	R1300									

Appendix continued

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	
Premiums written									
Gross - Direct Business	R0110	104,868	17,154	19,416					2,556,144
Gross - Proportional reinsurance accepted	R0120								-604
Gross - Non-proportional reinsurance accepted	R0130				309	1,722	30	1,148	3,209
Reinsurers' share	R0140	78,036	159	183		3,368	1,939	33,026	155,122
Net	R0200	26,832	16,995	19,233	309	-1,646	-1,909	-31,878	2,403,627
Premiums earned									
Gross - Direct Business	R0210	104,546	17,179	18,580					2,563,676
Gross - Proportional reinsurance accepted	R0220								-602
Gross - Non-proportional reinsurance accepted	R0230				309	1,722	30	1,262	3,323
Reinsurers' share	R0240	74,613	159	183		3,368	1,939	33,026	153,758
Net	R0300	29,933	17,020	18,397	309	-1,646	-1,909	-31,764	2,412,639
Claims incurred									
Gross - Direct Business	R0310	69,909	7,902	10,192					1,424,821
Gross - Proportional reinsurance accepted	R0320			6,654					6,385
Gross - Non-proportional reinsurance accepted	R0330				19	962	288	-1,269	0
Reinsurers' share	R0340	47,285	120	676		59	474	6,490	67,034
Net	R0400	22,624	7,782	16,170	19	903	-186	-7,759	1,364,172
Changes in other technical provisions									
Gross - Direct Business	R0410								76
Gross - Proportional reinsurance accepted	R0420								
Gross - Non-proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								76
Expenses incurred	R0550	6,852	2,159	11,324	13	398	139	1,894	962,004
Other expenses	R1200								5,194
Total expenses	R1300								967,198

Appendix continued

		Line of Business for: life insurance obligations					Life reinsurance obligations	Total	
		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 health insurance obligations other than health insurance obligations C0260	Health reinsurance C0270	Life reinsurance C0280
Premiums written									
Gross	R1410	1,002,350	1,115,209	2,746,321	7,050,883			34,365	11,949,128
Reinsurers' share	R1420	22,815	42,725	2,657	233,535		576	4,638	306,946
Net	R1500	979,535	1,072,484	2,743,664	6,817,348		-576	29,727	11,642,182
Premiums earned									
Gross	R1510	1,002,869	1,115,824	2,746,465	7,048,732			34,365	11,948,255
Reinsurers' share	R1520	22,831	42,895	2,657	233,313		576	4,638	306,910
Net	R1600	980,038	1,072,929	2,743,808	6,815,419		-576	29,727	11,641,345
Claims incurred									
Gross	R1610	720,150	2,677,924	3,227,842	5,836,116		-167	40,979	12,502,844
Reinsurers' share	R1620	18,477	32,861	803	117,977		7,336	3,502	180,956
Net	R1700	701,673	2,645,063	3,227,039	5,718,139		-7,503	37,477	12,321,888
Changes in other technical provisions									
Gross	R1710	-4,318	1,762,927	-4,157,335	-1,918,339		594	6,754	-4,309,717
Reinsurers' share	R1720		-922	29,975	20,734			1,731	51,518
Net	R1800	-4,318	1,763,849	-4,187,310	-1,939,073		594	5,023	-4,361,235
Expenses incurred	R1900	264,123	253,025	409,275	956,382		11,930	133,784	2,028,519
Other expenses	R2500								17,768
Total expenses	R2600								2,046,287

Appendix continued

S.05.02.01 Premiums, claims and expenses by country

	Home country	Total for top 5 countries and home country (by amount of gross premiums written)						Total
		C0020	C0030	C0040	C0050	C0060		
		BE - Kingdom of Belgium	ES - Kingdom of Spain	RO - Romania	SK - Slovak Republic	PL - Republic of Poland		
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	2,342,056	126,682	43,162	11,824	22,040	11,067	2,556,831
Gross - Proportional reinsurance accepted	R0120	-12	-85	-10				-107
Gross - Non-proportional reinsurance accepted	R0130	2,005	-6				58	2,057
Reinsurers' share	R0140	136,135	1,094	10,644	6,363	642	245	155,123
Net	R0200	2,207,914	125,497	32,508	5,461	21,398	10,880	2,403,658
Premiums earned								
Gross - Direct Business	R0210	2,357,124	127,166	41,013	11,652	22,025	5,497	2,564,477
Gross - Proportional reinsurance accepted	R0220	-12	-85	-8				-105
Gross - Non-proportional reinsurance accepted	R0230	2,005	-6				58	2,057
Reinsurers' share	R0240	135,240	1,094	10,178	6,363	642	242	153,759
Net	R0300	2,223,877	125,981	30,827	5,289	21,383	5,313	2,412,670
Claims incurred								
Gross - Direct Business	R0310	1,378,643	35,299	20,519	1,113	5,468	1,413	1,442,455
Gross - Proportional reinsurance accepted	R0320	6,201	-1,033	1,110				6,278
Gross - Non-proportional reinsurance accepted	R0330	-386	825	7			422	868
Reinsurers' share	R0340	60,083	291	5,104	730	495	648	67,351
Net	R0400	1,324,375	34,800	16,532	383	4,973	1,187	1,382,250
Changes in other technical provisions								
Gross - Direct Business	R0410		142			-66		76
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500		142			-66		76
Expenses incurred	R0550	870,618	65,642	7,687	2,717	5,123	5,264	957,051
Other expenses	R1200							5,141
Total expenses	R1300							962,192

Appendix continued

	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	HE - Hellenic Republic	ES - Kingdom of Spain	PL - Republic of Poland		
		C0080	JP - Japan	C0100	C0110	C0120	C0130	
Premiums written								
Gross	R1410	5,015,460	3,941,005	959,186	401,613	500,558	357,389	11,175,211
Reinsurers' share	R1420	33,859	196,480	14,055	5,399	39,962	2,681	292,436
Net	R1500	4,981,601	3,744,525	945,131	396,214	460,596	354,708	10,882,775
Premiums earned								
Gross	R1510	5,017,804	3,941,005	959,227	401,613	499,707	356,006	11,175,362
Reinsurers' share	R1520	33,862	196,480	14,067	5,399	39,911	2,681	292,400
Net	R1600	4,983,942	3,744,525	945,160	396,214	459,796	353,325	10,882,962
Claims incurred								
Gross	R1610	6,703,560	2,925,902	1,339,423	219,670	502,458	262,222	11,953,235
Reinsurers' share	R1620	71,967	56,398	6,953	2,704	32,601	4,649	175,272
Net	R1700	6,631,593	2,869,504	1,332,470	216,966	469,857	257,573	11,777,963
Changes in other technical provisions								
Gross	R1710	-3,140,927	-621,938	165,032	-209,506	-197,689	-24,078	-4,029,106
Reinsurers' share	R1720	107,289	-85,660	-1,070	-1,066	706	51	20,250
Net	R1800	-3,248,216	-536,278	166,102	-208,440	-198,395	-24,129	-4,049,356
Expenses incurred	R1900	759,682	475,586	244,366	92,885	100,436	112,623	1,785,578
Other expenses	R2500							13,575
Total expenses	R2600							1,799,153

Appendix continued

S.22.01.22 Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	168,337,688	682,488	169,137	1,135,363	
Basic own funds	R0020	16,486,686	-373,680	-61,418	-880,471	
Eligible own funds to meet Solvency Capital Requirement	R0050	17,791,702	-373,680	-61,418	-880,471	
Solvency Capital Requirement ¹	R0090	8,154,205			5,825,080	

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

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

Appendix continued

S.23.01.22 Own Funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	41,227	41,227			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	12,571,805	12,571,805			
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	2,169,496	2,169,496			
Subordinated liabilities	R0140	4,482,934		1,922,259	2,560,676	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	707,476				707,476
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	1,161,359	1,069,661		86,793	4,904
Minority interests (if not reported as part of a specific own fund item)	R0200					
Non-available minority interests at group level	R0210	90,376	90,376			
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	1,339,805	1,339,805			
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	894,712	894,712			
Total of non-available own fund items	R0270	1,251,735	1,160,037		86,793	4,904
Total deductions	R0280	3,486,252	3,394,555		86,793	4,904
Total basic own funds after deductions	R0290	16,486,686	11,387,973	1,922,259	2,473,882	702,571

Appendix continued

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	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	156,889	156,889			
Institutions for occupational retirement provision	R0420	253,415	253,415			
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	410,304	410,304			
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	894,712	894,712			
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	894,712	894,712			
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	16,486,686	11,387,973	1,922,259	2,473,882	702,571
Total available own funds to meet the minimum consolidated group SCR	R0530	15,784,114	11,387,973	1,922,259	2,473,882	
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	16,486,686	11,387,973	1,922,259	2,473,882	702,571
Total eligible own funds to meet the minimum consolidated group SCR	R0570	14,072,290	11,387,973	1,922,259	762,058	
Consolidated Group SCR	R0590	7,860,454				
Minimum consolidated Group SCR	R0610	3,810,288				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	2.17				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	3.69				
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	17,791,702	12,692,990	1,922,259	2,473,882	702,571
SCR for entities included with D&A method	R0670	293,751				
Group SCR	R0680	8,154,205				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	2.18				

Appendix continued

Reconciliation reserve

		C0060
		Amount
Reconciliation reserve		
Excess of assets over liabilities	R0700	16,140,638
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	650,634
Other basic own fund items	R0730	13,320,508
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	2,169,496
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,771,606
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	34,484
Total Expected profits included in future premiums (EPIFP)	R0790	1,806,090

Appendix continued

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

Unique number of component/ Components description C0010/ C0020	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 C0070
			C0050	C0060	
Market Risk (SF)	806,403				806,403
Market Risk (PIM)	3,751,455				3,751,455
Counterparty Default Risk (SF)	175,243				175,243
Counterparty Default Risk (PIM)	83,304				83,304
Life Underwriting Risk (SF)	878,751				878,751
Life Underwriting Risk (PIM)	5,674,381				5,674,381
Health Underwriting Risk (SF)	199,184				199,184
Health Underwriting Risk (PIM)	406,723				406,723
Non-life Underwriting Risk (SF)	111,321				111,321
Non-life Underwriting Risk (PIM)	532,115				532,115
Intangible Asset Risk (SF)					
Operational Risk (SF)	123,629				123,629
Operational Risk (PIM)	580,105				580,105
Operational Risk (non-modelled SII entities)	83,602				
LAC TP (SF)	-27,663				-27,663
LAC TP (PIM)	-67,923				-67,923
LAC DT (SF)	-179,333				-179,333
LAC DT (PIM)	-1,552,969				-1,552,969

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, SCR for Non-Modelled Solvency II entities has been linked in C0100 to the category Operational Risk.

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

Appendix continued

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	11,578,328
Diversification	R0060	-3,966,414
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	7,611,914
Capital add-ons already set	R0210	-37
Solvency capital requirement for undertakings under consolidated method	R0220	7,860,454
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-95,586
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	-1,732,302
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	
Minimum consolidated group solvency capital requirement	R0470	3,810,288
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	248,577
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	76,091
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	172,486
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	293,751
Solvency capital requirement	R0570	8,154,205

Appendix continued

S.32.01.22 Undertakings in the scope of the group

C0010	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
	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Belgium	549300P1862T XM0YEB58	LEI	NN Insurance Belgium NV	Life insurer	N.V.	Non-mutual	National Bank of Belgium (NBB)
Belgium	549300GVZDN BP9CS7220	LEI	NN Insurance Services Belgium NV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	Autoriteit voor Financiële Diensten en Markten
Greece	21380015K5GP XUGHWP21	LEI	NN Hellenic Life Insurance Co. S.A.	Life insurer	S.A.	Non-mutual	Bank of Greece
Hungary	213800LJXKNQ GWI7T748	LEI	NN Biztosító Zártkörűen Működő Részvénytársas ág	Life insurer	Részvénytárs aság	Non-mutual	National Bank of Hungary
Netherlands	72450089HOK NKBXZW470	LEI	NN Non-Life Insurance N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	54930050LBZU R4138I72	LEI	NN Re (Netherlands) N.V.	Reinsurance undertaking	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500ZSI5VWI Q5PA676	LEI	Movir N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	7245000CROLN YKWUS634	LEI	Nationale- Nederlanden Schadeverzekering Maatschappij N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500L7T6JR7 V9SIO28	LEI	Nationale- Nederlanden Levensverzekering Maatschappij N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Poland	259400RZ3933 FIO8K604	LEI	Nationale- Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	Life insurer	S.A.	Non-mutual	Financial Supervisory Authority Poland
Romania	549300GK7Z9R SNNVFB27	LEI	NN Asigurari de Viata S.A.	Life insurer	S.A.	Non-mutual	Financial Supervisory Authority Romania
Slovakia	3157008I214ZP3 07A433	LEI	NN Životná poisťovňa, a.s.	Life insurer	A.S.	Non-mutual	National Bank of Slovakia
Spain	9598008SSVG KRRKJMW92	LEI	Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	Non-life insurer	S.A.	Non-mutual	General Directorate of Insurance and Pensions
Spain	959800201400 05328872	LEI	Nationale Nederlanden Vida, Compania de Seguros y Reaseguros, S.A.	Life insurer	S.A.	Non-mutual	General Directorate of Insurance and Pensions

Appendix continued

C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030	C0030					
Slovakia	213800OPBGO C17TTI569	LEI		Aegon Životná poisťovňa, a.s.	Life insurer	A.S.	Non-mutual	National Bank of Slovakia
Japan	549300Z97MFL U58LWK39	LEI		NN Life Insurance Company, Ltd.	Life insurer	Ltd.	Non-mutual	Financial Service Agency
Turkey	491142.2	SC		NN Hayat ve Emeklilik A.Ş.	Life insurer	A.S.	Non-mutual	Undersecretariat of Treasury
Romania	J40/475/1997.2	SC		NN 3rd pillar pension Romania	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Romania
Slovakia	35902981	SC		NN dôchodková správcovská spoločnosť, a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	National Bank of Slovakia
Romania	J40/9766/2007	SC		NN Pensii Societate de Administrare a unui Fond de Pensii Administrat Privat S.A.	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Romania
Bulgaria	7644/98	SC		NN Pensionno-Osigoritelno Druzestvo EAD	Institutions for occupational retirement provision	EAD	Non-mutual	Financial Supervisory Commission
Czech Republic	315700R2GWHJ JLOF7381	LEI		NN Penzijní společnost, a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	Central Bank of the Czech Republic (CNB)
Poland	259400ETK4Q7 BA75MU17	LEI		Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A.	Institutions for occupational retirement provision	S.A.	Non-mutual	Financial Supervisory Authority Poland
Slovakia	35976853	SC		NN Tatry - Sympatia, d.d.s., a.s.	Institutions for occupational retirement provision	A.S.	Non-mutual	National Bank of Slovakia
Hungary	01-10-043980	SC		NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Részvénytársaság	Non-mutual	N.A. (Undertaking not regulated)
Turkey	863257	SC		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	724500BICUQ0 LF1AH770	LEI		Nationale-Nederlanden Bank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	27093787	SC		Zicht B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	Autoriteit Financiële Markten (AFM)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030						
Poland	KRS 27325	SC		Nationale-Nederlanden Uslugi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o.o.)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	Financial Supervisory Authority Poland
Netherlands	33002043	SC		Nationale-Nederlanden Intertrust B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	30107623	SC		Private Equity Investments II B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	27068646	SC		Wijkertunnel Beheer I B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	7245002XM4Y0 LBZ60634	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)
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	549300N0HHG LT70MM602	LEI		NN Investment Partners Holdings 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	62094114	SC		Private Debt Investments B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	549300NC3SZT ETC10349	LEI		Nationale-Nederlanden Interfinance 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	27193850	SC		NN Insurance Support Nederland 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)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority 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	724500OHYND T9OY6Q215	LEI	NN Group N.V.	Mixed financial holding company as defined in Article 212 § (h) of Directive 2009/138/EC	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	724500LSEYWJ HXZ58E54	LEI	NN Insurance International 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	724500G2BUPA FMEITB30	LEI	NN Insurance Eurasia N.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33231790	SC	Nationale-Nederlanden Nederland B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
United Kingdom	02634701	SC	Nationale-Nederlanden Overseas Finance and Investment Company	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	724500MXAVU OTVWT2A46	LEI	NN Continental Europe Holdings B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	57489408	SC	Infrastructure 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	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 Personeel B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Ireland	258798	SC	NN Operations (Ireland) Limited	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd	Non-mutual	N.A. (Undertaking not regulated)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Hungary	01-09-708350	SC	NN RAS Kockázatelemzési és Aktuárius Szolgáltató Korlátolt Felelősségű Társaság	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Poland	0000324689	SC	Notus Finanse S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Poland	25940098WUP 2IVVEJ498	LEI	Nationale-Nederlandsen Towarzystwo Ubezpieczeń S.A.	Non-Life insurer	S.A.	Non-mutual	Financial Supervisory Authority Poland
Hungary	01-09-913176	SC	NN Pénzügyi Tanácsadó Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Greece	122449203000	SC	NN Hellenic Insurance Brokerage S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	68034229	SC	Sparklab B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Belgium	0832.066.988	SC	CINSA N.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	137688-5	SC	Orange Plus Sigorta Brokerliği A.S.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	71769609	SC	REI Diaphane Holding B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25618	SC	REI Diaphane Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	57277826	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)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	34200872	SC	Delta Lloyd Houdstermaatschappij Verzekeringen 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	05071891	SC	Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	18115656	SC	Distributie Zorgverzekeringen B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33113642	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	724500HLQ2Q 30059FD13	LEI	BeFrank N.V.	Credit institutions, investment firms and financial institutions	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	51380722	SC	BeFrank PPI N.V.	Institutions for occupational retirement provision	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	0446.941.554	SC	Delta Lloyd Life Invest (Belgium) NV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	N.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	05027455	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	724500FWP70 WHQUBMZ62	LEI	ABN AMRO Levensverzekering N.V.	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	05058077	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	724500G3PJTY PL2L9M11	LEI	ABN AMRO Schadeverzekering N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	5493001QST017 Z235S79	LEI	NN Investment Partners International Holdings 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	549300YXQ0Y 6SPQTPE40	LEI	NN Investment Partners B.V.	Credit institutions, investment firms and financial institutions	B.V.	Non-mutual	De Nederlandsche Bank (DNB)
Malaysia	4047	SC	IFB Management Holdings Sdn Bhd	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sdn Bhd	Non-mutual	N.A. (Undertaking not regulated)

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C0010	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
	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Czech Republic	24265870	SC	NN Finance s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o.	Non-mutual	N.A. (Undertaking not regulated)
Romania	J40/9811/1999	SC	NN Lease SRL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	Non-mutual	N.A. (Undertaking not regulated)
Mexico	70077-9	SC	Conglomerado de Valores, S.A. de C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A. de C.V.	Non-mutual	N.A. (Undertaking not regulated)
Mexico	272255	SC	Covasa Servicios México, S.A. de C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A. de C.V.	Non-mutual	N.A. (Undertaking not regulated)
Spain	V87154407	SC	Nationale Nederlanden Services, A.I.E.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.I.E.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	33243926	SC	Exploitiemaatschappij Wijkertunnel 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)
Slovakia	36610984	SC	Aegon Partner, 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)
Spain	B88397260	SC	Nationale-Nederlanden Oxygen, S.L.U.	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	27258850	SC	Human Capital Scan 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	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)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030						
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	2138006AETTR KKMDW129	LEI		CBRE UK Property Fund PAIF	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	L.P.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25506	SC		CBRE Dutch Residential fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32136043	SC		Parcom Investment Fund III B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23783	SC		CBRE Property Fund Central and Eastern Europe F.G.R.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23772	SC		CBRE European Industrial Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Hungary	01-09-929987	SC		Allee center Kft	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	KFT	Non-mutual	N.A. (Undertaking not regulated)
Italy	12806290156	SC		Fiumaranuova s.r.l.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.R.L.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	34363412	SC		Parcom Buy Out Fund IV B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Italy	549300SYDRS AP88SFX73	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)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030						
Netherlands	24932	SC		CBRE Dutch Retail Fund II FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24823	SC		Robeco 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	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)
Spain	25496	SC		Siresa House S.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.L.	Non-mutual	N.A. (Undertaking not regulated)
France	529900TDQCZ VRX1H3J98	LEI		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)
Netherlands	529900A8S3U CVRGEL132	LEI		CBRE Logistics Property Fund Europe C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23773	SC		CBRE Retail Property Partnership Southern Europe C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23781	SC		CBRE Italian Retail Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	23774	SC		CBRE Nordic Property Fund F.G.R.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	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)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Netherlands	25507	SC	CBRE Dutch Residential Fund II FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	24742	SC	CBRE Dutch Office Fund The Netherlands FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49760	SC	DEOS REI Germany Cross Docks 1 - Würselen GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49776	SC	DEOS REI Germany Cross Docks 2 - Hamm-Uentrop GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49761	SC	DEOS REI Germany Cross Docks 3 - Essen GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49762	SC	DEOS REI Germany Cross Docks 4 - Moers GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49763	SC	DEOS REI Germany Cross Docks 5 - Holzgerlingen GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49777	SC	DEOS REI Germany Cross Docks 6 - Kassel GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49778	SC	DEOS REI Germany Cross Docks 7 - Brühl GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49764	SC	DEOS REI Germany Cross Docks 8 - Freiburg GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49765	SC	DEOS REI Germany Cross Docks 9 - Dortmund GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRA 49766	SC	DEOS REI Germany Cross Docks 10 - Lörrach GmbH & Co.KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)

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C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030						
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	724500AM4MY HCTRLF551	LEI		N.V. Levensverzekering- Maatschappij "De Hoop"	Life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
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	9695007C0916 DB3ER958	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	724500FK6HE2 QUL3B962	LEI		de Vereende N.V.	Non-life insurer	N.V.	Non-mutual	De Nederlandsche Bank (DNB)
Netherlands	32076188	SC		Keerpunt B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Spain	25860	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)
Germany	25586	SC		IVZ Immobilien GmbH & Co H3H KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	25209	SC		DEOS REI Germany Cross Docks GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25286	SC		Dutch Urban Living Venture FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)

Appendix continued

C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority 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	391200V1UEW3 C1KOU135	LEI	DPE Deutschland II B GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH & Co. KG	Non-mutual	N.A. (Undertaking not regulated)
Germany	391200PCUJ6L KOKD5F49	LEI	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	25601	SC	Parquest Capital II B FPCI	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FPCI	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	25668	SC	Vesteda Residential Fund FGR	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FGR	Non-mutual	N.A. (Undertaking not regulated)
Spain	959800HOG24 RKNCY1732	LEI	Lazora S.I.I. S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Luxembourg	25662	SC	MTech GP (EU) S.À R.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SARL	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	13025147	SC	Visschers & Corten Beheer B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	67298141	SC	NL Boompjes Property 5 C.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	828074	SC	Makinist Vip Sigorta Aracılık Hizmetleri A.Ş.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Turkey	794659	SC	Sigorta Ofisi Plus Aracılık Hizmetleri A.S.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)

Appendix continued

C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking		Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
		C0030						
Turkey	161178	SC		Ünlem Sigorta Aracılık Hizmetleri A.Ş.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	A.S.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32122988	SC		Dasym Edam Holding B.V.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	B.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	32116673	SC		Cyrte Fund I Investment CV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	C.V.	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	50641050	SC		Dasym EDAM Holding 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)
Norway	529900M0L583 6J152C80	LEI		NRP Nordic Logistic Fund AS	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	AS	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	63060418	SC		Brabantse Investeringsgroep 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)
France	969500RVDF6B ONF9TL37	LEI		Rivage Euro Debt Infrastructure 3	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OPCVM	Non-mutual	N.A. (Undertaking not regulated)
Germany	HRB 161960 B	SC		Optipay GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GMBH	Non-mutual	N.A. (Undertaking not regulated)
Spain	EN0001	SC		Alma mundi Insurtech Fund FCRE	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	FCRE	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	71347011	SC		Prime ventures 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	51089610	SC		Cyrte latAm	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Stichting	Non-mutual	N.A. (Undertaking not regulated)
Netherlands	61307068	SC		Focus Orange Technology B.V. -Chrunchr	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 continued

C0010	Identification code of entity C0020	Type of code of the ID of the Undertaking C0030	Legal Name of the undertaking C0040	Type of undertaking C0050	Legal form C0060	Category (mutual/non mutual) C0070	Supervisory Authority C0080
Greece	529900ZPRXAY AWDLEG62	LEI	Mednet Greece SA	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A.	Non-mutual	N.A. (Undertaking not regulated)
Spain	25863	SC	Siresa House II	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LTDA	Non-mutual	N.A. (Undertaking not regulated)

Appendix continued

C0040	% 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	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Insurance Belgium NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Insurance Services Belgium NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Hellenic Life Insurance Co. S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Biztosító Zártkörűen Működő Részvénytársaság	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Non-Life Insurance N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Re (Netherlands) N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Movir N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Schadeverzekering Maatschappij N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Levensverzekering Maatschappij N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Towarzystwo Ubezpieczeń na Życie S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Asigurari de Viata S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Životná poisťovňa, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Generales, Compania de Seguros y Reaseguros, S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Vida, Compania de Seguros y Reaseguros, S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Aegon Životná poisťovna, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Life Insurance Company, Ltd.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 2: Local rules
NN Hayat ve Emeklilik A.Ş.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN 3rd pillar pension Romania	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN dôchodková správcovská spoločnosť, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules

Appendix continued

	% used for the establishment of consolidated accounts		% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	% capital share	C0190							
C0040	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
NN Pensii Societate de Administrare a unui Fond de Pensii Administrat Privat S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Pensionno-Osigoritelno Druzestvo EAD	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Penzijní společnost, a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Nationale-Nederlanden Powszechno Towarzystwo Emerytalne S.A.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Tatry - Sympatia, d.d.s., a.s.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
NN Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Orange Sigorta Aracilik Hizmetleri A.S.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Bank N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Sectoral rules
Zicht B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Usługi Finansowe Spółka z ograniczoną odpowiedzialnością (sp. z o. o)	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Intertrust B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Private Equity Investments II B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Wijkertunnel Beheer I B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
REI Investment I B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Private Equity Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Korea Investment Fund B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Investment Partners Holdings N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Private Debt Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation

Appendix continued

C0040	% 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 under method 1, treatment of the undertaking	
	% capital share	C0190							C0200
Nationale-Nederlanden Interfinance B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Insurance Support Nederland B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Nationale-Nederlanden Holdinvest B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Group N.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Insurance International B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Insurance Eurasia N.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Nationale-Nederlanden Nederland B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Nationale-Nederlanden Overseas Finance and Investment Company	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Continental Europe Holdings B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Infrastructure Equity Investments B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
AZL N.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Management Services, s.r.o	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Personeel B.V.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Operations (Ireland) Limited	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN RAS Kockázatelemzési és Aktuárius Szolgáltató Korlátolt Felelősségű Társaság	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Notus Finance S.A.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
Nationale-Nederlanden Towarzystwo Ubezpieczeń S.A.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Pénzügyi Tanácsadó Kft.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation
NN Hellenic Insurance Brokerage S.A.	100.00	100.00	100.00		Dominant	100.00		Included into scope of group supervision	Method 1: Full consolidation

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C0040	% 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 under method 1, treatment of the undertaking	
	% capital share	C0190							C0200
Sparklab B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
CINSA N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Orange Plus Sigorta Brokerliđi A.S.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
REI Diaphane Holding B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
REI Diaphane Fund FGR	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Cyrte Investments B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Delta Lloyd Houdstermaatschappij Verzekeringen N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Nationale-Nederlanden ABN AMRO Verzekeringen Holding B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Distributie Zorgverzekeringen B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
Delta Lloyd Vastgoed Ontwikkeling B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
BeFrank N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Sectoral rules	
BeFrank PPI N.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Sectoral rules	
Delta Lloyd Life Invest (Belgium) NV	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
ABN AMRO Verzekeringen B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
ABN AMRO Levensverzekering N.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
ABN AMRO Assuradeuren B.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
ABN AMRO Schadeverzekering N.V.	51.00	100.00	51.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
NN Investment Partners International Holdings B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Full consolidation	
NN Investment Partners B.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision	Method 1: Sectoral rules	

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C0040	% used for the establishment of consolidated accounts		% voting rights C0200	Other criteria C0210	Level of influence C0220	Proportional share used for group solvency calculation C0230	Yes/No C0240	Date of decision if art. 214 is applied C0250	Method used and under method 1, treatment of the undertaking C0260
	% capital share C0180	C0190							
IFB Management Holdings Sdn Bhd	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Finance s.r.o	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
NN Lease SRL	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Conglomerado de Valores, S.A. de C.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Covasa Servicios México, S.A. de C.V.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale Nederlanden Services, A.I.E.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Exploitiemaatschappij Wijkertunnel C.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Full consolidation
Aegon Partner, s.r.o.	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Nationale-Nederlanden Oxygen, S.L.U	100.00	100.00	100.00		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
Human Capital Scan Holding B.V.	93.60	100.00	93.60		Dominant	100.00	Included into scope of group supervision		Method 1: Full consolidation
CBRE Dutch Office Fund FGR	18.58	18.58	18.58		Significant	18.58	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Retail Property Fund Iberica L.P.	49.90	49.90	49.90		Significant	49.90	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Retail Fund FGR	20.30	20.30	20.30		Significant	20.30	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Investment Fund II B.V.	100.00	100.00	100.00		Significant	100.00	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE UK Property Fund PAIF	9.64	9.64	9.64		Significant	9.64	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Dutch Residential fund FGR	10.17	10.17	10.17		Significant	10.17	Included into scope of group supervision		Method 1: Adjusted equity method
Parcom Investment Fund III B.V.	100.00	100.00	100.00		Significant	100.00	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Property Fund Central and Eastern Europe F.G.R.	14.25	14.25	14.25		Significant	14.25	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE European Industrial Fund FGR	19.48	19.48	19.48		Significant	19.48	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix continued

C0040	% used for the establishment of consolidated accounts		% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	C0180	C0190							
Allee center Kft	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Fiumaranuova s.r.l.	49.90	49.90	49.90		Significant	49.90	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	49.32	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
Robeco Bedrijfsleningen FGR	25.91	25.91	25.91		Significant	25.91	Included into scope of group supervision		Method 1: Adjusted equity method
Achmea Dutch Health Care Property Fund	27.35	27.35	27.35		Significant	27.35	Included into scope of group supervision		Method 1: Adjusted equity method
Delta Mainlog Holding GmbH & Co. KG	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Siresa House S.L.	48.50	48.50	48.50		Significant	48.50	Included into scope of group supervision		Method 1: Adjusted equity method
Le Havre LaFayette 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 Logistics Property Fund Europe C.V.	25.00	25.00	25.00		Significant	25.00	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Retail Property Partnership Southern Europe C.V.	21.45	21.45	21.45		Significant	21.45	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Italian Retail Fund FGR	25.55	25.55	25.55		Significant	25.55	Included into scope of group supervision		Method 1: Adjusted equity method
CBRE Nordic Property Fund F.G.R.	14.25	14.25	14.25		Significant	14.25	Included into scope of group supervision		Method 1: Adjusted equity method
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

Appendix continued

C0040	% used for the establishment of consolidated accounts		% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking	
	C0180	C0190								C0200
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 & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 4 - Moers GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 5 - Holzgerlingen GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 6 - Kassel GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 7 - Brühl GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 8 - Freiburg GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 9 - Dortmund GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
DEOS REI Germany Cross Docks 10 - Lörrach GmbH & Co.KG	50.00	50.00	50.00		Significant	50.00			Included into scope of group supervision	Method 1: Adjusted equity method
Parcom Investment Fund I B.V.	100.00	100.00	100.00		Significant	100.00			Included into scope of group supervision	Method 1: Adjusted equity method
Parcom Buy-Out Fund V C.V.	21.29	21.29	21.29		Significant	21.29			Included into scope of group supervision	Method 1: Adjusted equity method
N.V. Levensverzekering-Maatschappij "De Hoop"	33.33	33.33	33.33		Significant	33.33			Included into scope of group supervision	Method 1: Adjusted equity method
DAP Holding N.V.	31.67	31.67	31.67		Significant	31.67			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
de Vereende N.V.	38.99	38.99	38.99		Significant	38.99			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

Appendix continued

C0040	% 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	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
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
IVZ Immobilien GmbH & Co H3H KG	27.26	27.26	27.26		Significant	27.26	Included into scope of group supervision		Method 1: Adjusted equity method
DEOS REI Germany Cross Docks GmbH	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Dutch Urban Living Venture FGR	41.62	41.62	41.62		Significant	41.62	Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Investments IV B.V.	40.07	40.07	40.07		Significant	40.07	Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Investments V B.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
DPE Deutschland II B GmbH & Co. KG	33.95	33.95	33.95		Significant	33.95	Included into scope of group supervision		Method 1: Adjusted equity method
DPE Deutschland III B (Parallel) GmbH & Co	16.67	16.67	16.67		Significant	16.67	Included into scope of group supervision		Method 1: Adjusted equity method
Parquest Capital II B FPCI	29.13	29.13	29.13		Significant	29.13	Included into scope of group supervision		Method 1: Adjusted equity method
Vesteda Residential Fund FGR	24.37	24.37	24.37		Significant	24.37	Included into scope of group supervision		Method 1: Adjusted equity method
Lazora S.I.I. S.A.	22.10	22.10	22.10		Significant	22.10	Included into scope of group supervision		Method 1: Adjusted equity method
MTech GP (EU) S.À RL	33.00	33.00	33.00		Significant	33.00	Included into scope of group supervision		Method 1: Adjusted equity method
Visschers & Corten Beheer B.V.	49.02	49.02	49.02		Significant	49.02	Included into scope of group supervision		Method 1: Adjusted equity method
NL Boompjes Property 5 C.V.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Makinist Vip Sigorta Aracılık Hizmetleri A.Ş.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Sigorta Ofisi Plus Aracılık Hizmetleri A.S.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Ünlem Sigorta Aracılık Hizmetleri A.Ş.	50.00	50.00	50.00		Significant	50.00	Included into scope of group supervision		Method 1: Adjusted equity method
Dasym Edam Holding B.V.	10.47	10.47	10.47		Significant	10.47	Included into scope of group supervision		Method 1: Adjusted equity method
Cyrte Fund I Investment CV	21.81	21.81	21.81		Significant	21.81	Included into scope of group supervision		Method 1: Adjusted equity method

Appendix continued

C0040	% used for the establishment of consolidated accounts		% voting rights C0200	Other criteria C0210	Level of influence C0220	Proportional share used for group solvency calculation C0230	Yes/No C0240	Date of decision if art. 214 is applied C0250	Method used and under method 1, treatment of the undertaking C0260
	% capital share C0180	% used for the establishment of consolidated accounts C0190							
Dasym EDAM Holding C.V.	5.20	5.20	5.20		Significant	5.20	Included into scope of group supervision		Method 1: Adjusted equity method
NRP Nordic Logistic Fund AS	4.21	4.21	4.21		Significant	4.21	Included into scope of group supervision		Method 1: Adjusted equity method
Brabantse Investeringsgroep B.V.	49.90	49.90	49.90		Significant	49.90	Included into scope of group supervision		Method 1: Adjusted equity method
Rivage Euro Debt Infrastructure 3	34.19	34.19	34.19		Significant	34.19	Included into scope of group supervision		Method 1: Adjusted equity method
Optipay GmbH	27.10	27.10	27.10		Significant	27.10	Included into scope of group supervision		Method 1: Adjusted equity method
Alma mundi Insurtech Fund FCRE	29.10	29.10	29.10		Significant	29.10	Included into scope of group supervision		Method 1: Adjusted equity method
Prime ventures V C.V.	19.68	19.68	19.68		Significant	19.68	Included into scope of group supervision		Method 1: Adjusted equity method
Cyrte latAm	13.43	13.43	13.43		Significant	13.43	Included into scope of group supervision		Method 1: Adjusted equity method
Focus Orange Technology B.V. - Chrunchr	23.60	23.60	23.60		Significant	23.60	Included into scope of group supervision		Method 1: Adjusted equity method
Mednet Greece SA	10.32	10.32	10.32		Significant	10.32	Included into scope of group supervision		Method 1: Adjusted equity method
Siresa House II	48.50	48.50	48.50		Significant	48.50	Included into scope of group supervision		Method 1: Adjusted equity method

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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 2019 NN Group Consolidated annual accounts, except as indicated in chapter D 'Valuation for Solvency Purposes' of the 2019 Solvency and Financial Condition Report.

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