2024

Solvency and Financial Condition Report

Nationale-Nederlanden Levensverzekering Maatschappij N.V.

Content Solvency II

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Summary

Summary

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

This Solvency and Financial Condition Report ('SFCR') provides public quantitative and qualitative disclosures for Nationale-Nederlanden Levensverzekering Maatschappij N.V. ('NN Leven') on Solvency II as required by the Solvency II legislation. NN Leven already discloses most of the information that is required to be included in the SFCR in its 2024 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) is not duplicated in this SFCR. Therefore, this SFCR is prepared as a supplement to NN Leven'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: 1) Directive 2009/138/EC/ and (amended) Directive 2014/51/EU section 3 – Public Disclosures (articles 51-56); 2) Delegated Regulation (EU) 2015/35 and (amended) Delegated Regulation (EU) 2016/467 and 2019/981 chapter XII Public Disclosures – section 1 'Solvency and financial condition report: structure and contents' (articles 290-298); and 3) 'Guidelines on reporting and public disclosure' (EIOPA-BoS-15/109) as issued by the European Insurance and Occupational Pensions Authority ('EIOPA').

NN Leven is required to submit the so-called Quantitative Reporting Templates ('QRTs') to its supervisor Dutch Central Bank ('DNB'). A subset of these QRTs, which is required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2024, is 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 Leven. It also provides insight into the underwriting and investment performance of NN Leven. 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 Leven's exposure to financial and non-financial risks and explains the risk mitigation techniques in place. Chapter D 'Valuation for Solvency purposes' elaborates on the differences in presentation and measurement of balance sheet elements between Solvency II and International Financial Reporting Standards as endorsed by the European Union ('IFRS-EU'). Chapter E 'Capital management' discusses the composition of Available and Eligible Own Funds and the calculation of the Solvency Capital Requirement ('SCR').

Material changes and events in 2024

During 2024, the following material events and transactions took place:

- On 9 January 2024, NN Group announced a settlement with interest groups ConsumentenClaim, Woekerpolis.nl, Woekerpolisproces, Wakkerpolis and Consumentenbond regarding unit-linked products sold in the Netherlands by Nationale-Nederlanden, including Delta Lloyd and ABN AMRO Life. The settlement relates to all unit-linked products of policyholders affiliated with the aforementioned interest groups and is subject to a 90% acceptance rate of affiliated policyholders that have received an individual proposal for compensation. As part of the settlement, all pending proceedings with respect to unit-linked products initiated by these interest groups against Nationale-Nederlanden will be discontinued once the settlement is executed, which is currently anticipated before end 2025. The settlement also includes that no new legal proceedings may be initiated by the aforementioned interest groups or their affiliated persons/parties. To cover the settlement costs, a provision of approximately EUR 360 million was recognised. This includes EUR 60 million for hardship cases, and customers unaffiliated with one of the aforementioned interest groups that have not previously received compensation.
- For year-end reporting, DNB approved the calculation of the SCR of former ABN AMRO Levensverzekering N.V. on the Partial Internal Model.

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	2024	2023
Tier 1 (restricted and unrestricted)	7,282	8,309
Tier 2	1,113	1,116
Tier 3	731	780
Total Eligible Own Funds	**9,126**	**10,205**

Eligible Own Funds decreased by EUR 1,079 million, from EUR 10,205 million on 31 December 2023 to EUR 9,126 million on 31 December 2024. This is the result of adverse market movements, dividends paid and regulatory changes which were partly offset by operating capital generation and a reinsurance transaction executed at year end 2024.

Summary continued

Solvency Capital Requirement

The Solvency Capital Requirement is based on NN Leven's Partial Internal Model. This comprises the Internal Model calculation for all risks except for Operational risk. SCR for Operational risk is calculated using the Standard Formula.

Solvency Capital Requirement

In EUR million	2024	2023
Market Risk	5,108	5,237
Counterparty Default Risk	25	31
Non-market risk	2,593	2,652
Market / Non-market risk diversification	-1,887	-1,832
Partial Internal Model BSCR	**5,839**	**6,088**
Operational Risk	387	382
Capital adjustment	17	137
Loss-Absorbing Capacity of Technical Provisions	-25	-15
Loss-Absorbing Capacity of Deferred Taxes	-1,346	-1,395
Total Solvency Capital Requirement	**4,872**	**5,198**

The breakdown of specific SCR risk types and explanations for the most significant changes in the risk profile over the year 2024 are presented in the next sections. The overall market risk SCR decreased from EUR 5,237 in 2023 to EUR 5,108 million in 2024; this change can be attributed to lower equity- and real estate risk, more market risk diversification benefit, and was partly offset by higher credit spread risk. The non-market risk SCR decreased from EUR 2,652 million in 2023 to EUR 2,593 million in 2024, caused largely by model refinements and a reinsurance transaction executed at year-end 2024. These changes were partly offset by the increase in non-market SCR due to the decrease in interest rates.
The loss absorbing capacity of deferred taxes (LAC DT) recognised as a percentage of gross SCR has increased from 21.2% to 21.6%.LAC DT has decreased in absolute value because of a lower gross SCR.

NN Leven's Solvency II ratio

The following table presents the solvency ratio of NN Leven at year-end 2024 compared to year-end 2023.

Solvency II ratio

In EUR million	2024	2023
Eligible Own Funds (EOF)	9,126	10,205
Minimum Capital Requirement (MCR)	2,192	2,202
Solvency Capital Requirement (SCR)	4,872	5,198
Surplus	**4,254**	**5,007**
Ratio (%) (EOF/SCR)	**187%**	**196%**

NN Leven was adequately capitalised at year-end 2024. The Solvency II ratio of NN Leven decreased from 196% to 187%. The decrease of the Solvency ratio over 2024 mainly reflects the negative impact of higher AAA and AA sovereign spreads and model refinements including regulatory updates to the UFR and VOLA.

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 Leven'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 are included in the paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure' in Section D.2 of this SFCR and QRT S.22.01.21 'Impact of long term guarantees and transitional measures' in the Appendix.

Business and performance

A. Business and performance

Introduction

This chapter of the SFCR contains general information on NN Leven, a simplified organisational structure and NN Leven's financial performance over 2024.

A.1 Business

General

Reference is made to the section 'NN Group and NN Leven at a glance' of the 2024 Annual Report of NN Leven for the legal form of NN Leven and NN Leven's position within the legal structure of NN Group.

The supervisory authority responsible for financial supervision of NN Leven:

Dutch Central Bank
Frederiksplein 61
1017 XL Amsterdam
The Netherlands

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

KPMG Accountants. N.V.
F.M. van den Wildenberg RA
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Information on the appointment of the external auditor is included in the section 'Corporate governance' in the 2024 Annual Report of NN Leven.

Qualifying holdings

A 'qualifying' holding is a direct or indirect holding 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.

NN Leven is a fully owned subsidiary of Nationale-Nederlanden Nederland B.V. ('NN Nederland') which in turn is a fully owned subsidiary of NN Insurance Eurasia N.V. ('NN Eurasia'). NN Eurasia is fully owned by NN Group.

As at 31 December 2024, there were no holders of qualifying holdings in NN Group.

Material lines of business and related undertakings

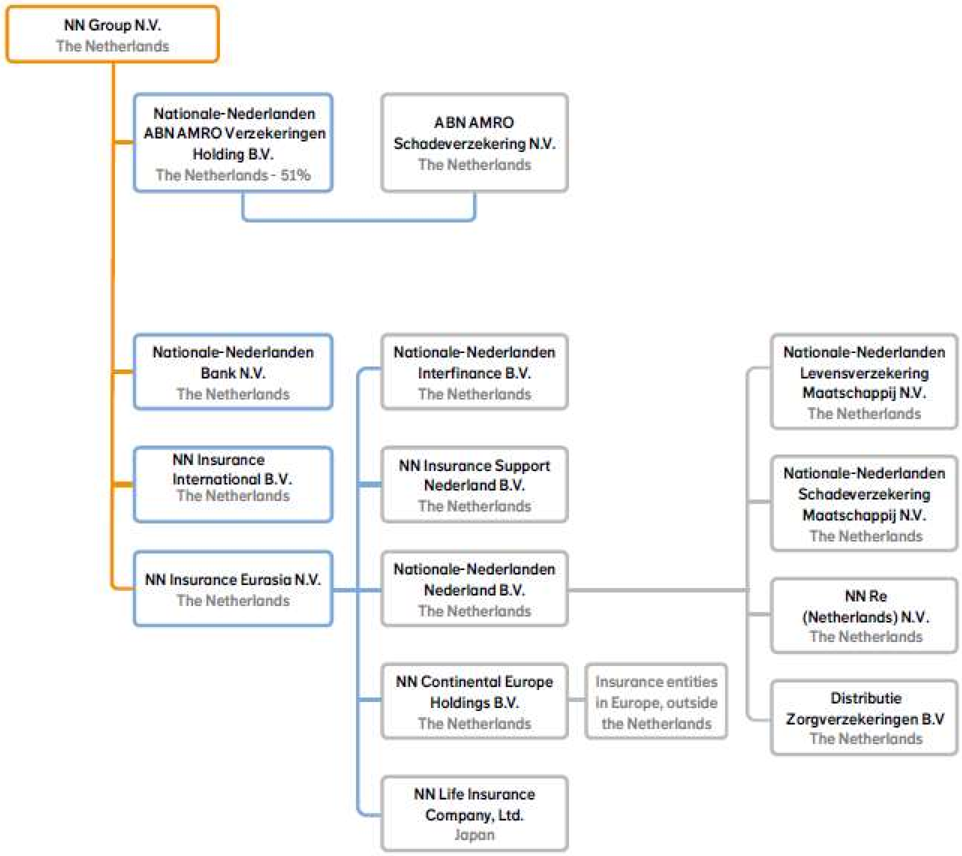
Reference is made to Note 24 'Principal subsidiaries and geographical information' in the 2024 Annual Report of NN Leven for more information about the principal subsidiaries and undertakings and geographical areas.

For information on any significant business events or other events that have occurred over the reporting period, reference is made to the section ' Report of the Management Board' in the 2024 Annual Report of NN Leven.

Business and performance continued

Simplified group structure

The simplified group structure as at 31 December 2024 is as follows:



A.2 Underwriting Performance

For the underwriting performance of Solvency II, reference is made to QRT S.05.01.02 ‘Premiums, claims and expenses by line of business’ in the Appendix.

A.3 Investment Performance

NN Leven’s operating result is analysed through a margin analysis, which includes the investment margin (investment performance), the insurance result (underwriting performance) and the other result. For information on underwriting and investment performance per material line of business, reference is made to the section ‘Report of the Management Board’ in the 2024 Annual Report.

Further reference is made to Note 20 ‘Investment result’ in the 2024 Annual Report of NN Leven 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 10 ‘Equity’- revaluation reserve and in the Consolidated statement of comprehensive income in the 2024 Annual Report of NN Leven.

A.4 Performance of other activities

Other material income and expenses incurred over 2024 are disclosed in notes 18-28 and the ‘Report of the Management Board’ section in the 2024 Annual Report of NN Leven.

A.5 Any other information

Reference is made to ‘Report of the Management Board’ section in the 2024 Annual Report of NN Leven for any other material information regarding the business and performance of NN Leven.

System of governance

B. System of governance

Introduction

This chapter of the SFCR contains information on the system of the governance of NN Leven in addition to governance information included in the 2024 Annual Report of NN Leven. The additional information includes relevant committees of the Management Board, a description of the main roles and responsibilities of the Key Functions and NN Leven'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 also sets out the governance and control framework effective in 2024.

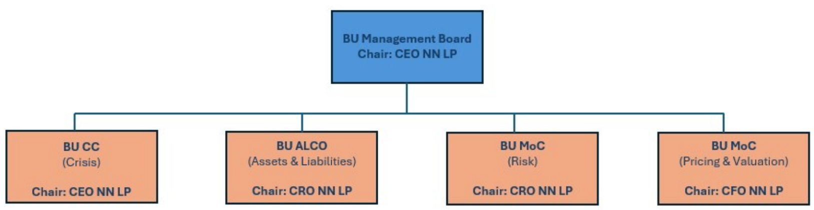
Structure of governance and changes in system of governance

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 2024 Annual Report and to the NN Group website: https://www.nn-group.com/our-company/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.

Management Board committees

The Management Board (hereafter 'MB') of NN Leven is responsible for defining, installing, and monitoring the risk management organisation in order to ensure its control systems are effective. The MB, or its (sub) committees, approves all risk management policies as well as the quantitative and qualitative elements of NN Leven's risk appetite. The MB reports and discusses these topics with the Supervisory Board, on a regular basis. While the MB retains responsibility for risk management, it has delegated certain responsibilities to committees which are responsible for day-to-day risk and finance related management decision-making, processes and controls. The following committees are in place: the Crisis Committee, the Asset & Liability Committee and the Model Committees.

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 both financial and non-financial crisis situations. The Crisis Committee meets on an ad-hoc basis. The Crisis Committee is chaired by the Chief Executive Officer ('CEO') of NN Leven.

Asset and Liability Committee

The NN Leven Asset and Liability Committee ('ALCO') oversees the activities and market risks related to investments and the matching of assets and liabilities at NN Leven level. The NN Leven ALCO has decision making authorities that are allocated from the NN Leven MB. Investment decisions are taken by the ALCO. The Strategic Asset Allocation and the interest rate risk policy must be approved by the NN Group ALCO. The NN Leven ALCO and/or MB remain responsible for these decisions. For this reason the NN Group ALCO can only approve or decline proposals and request amendments. The NN Leven ALCO and MB are required to inform the NN Group ALCO about any deviations from the requested amendments including a justification of their decision. The NN Leven ALCO is chaired by the Chief Risk Officer ('CRO') of NN Leven. A separate ALCO exists for defined contribution (DC) matters, overseeing the investment policy of DC lifecycle products.

Model Committee

The main responsibility of the Model Committee ('MoC') concerns the approval of: any material change in the end-to-end financial reporting process that has an impact on reported figures for Solvency II or IFRS 17; new (material) models; material model and assumption changes; the governance of model implementation in general.

Roles and responsibilities of key functions

NN Leven has organised its Solvency II key functions (the Risk Management Function, the Actuarial Function, the Compliance Function and the Internal Audit Function) in accordance with the applicable Solvency II regulations. All Solvency II key function holders within NN Leven 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 MB.

For more information on the roles and responsibilities of the key functions, reference is made to the sections B.3 (Risk management system), B.4 (Internal control system and compliance function), B.5 (Internal audit function) and B.6 (Actuarial function) in this report.

System of governance continued

Remuneration
Reference is made to Note 23 'Non-attributable operating expenses ' and Note 39 'Key management personnel compensation' as disclosed in the 2024 Annual Report of NN Leven 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 38 'Related parties' and Note 39 'Key management personnel compensation' in the 2024 Annual Report of NN Leven 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 Leven and with members of the Management Board and Supervisory Board are disclosed in Note 39 'Key management personnel compensation' in the 2024 Annual Report of NN Leven.

Adequacy of system of governance
A description of the main characteristics of the system of governance and risk management and control systems of NN Leven is disclosed in 'Manage our Risks' in the 2024 Annual Report of NN Leven. NN Leven's system of governance consist of among others our risk management and internal control system which is aligned with the nature, scale and complexity of our organisation. Elements of NN Leven's system of governance are regularly reviewed, and adapted when necessary, to ensure the system of governance is appropriate for our organisation.

Consistent use of risk management, internal control systems and reporting procedures
Reference is made to 'Manage our Risks' in the 2024 Annual Report of NN Leven for a description of how the risk management and internal control systems and reporting procedures are implemented consistently throughout NN Leven.

B.2 Fit and proper requirements
A description of NN Leven's specific requirements concerning skills, knowledge and expertise applicable to the persons who manage NN Leven, is included in article 4 of the Management Board Regulations of NN Leven. Requirements concerning skills, knowledge and expertise applicable to people who have other key functions, are included in the respective job profiles.

NN Leven's process for assessing the fit and proper quality of the people who effectively run NN Leven, is included in the Management Board Regulations of NN Leven and the Rules of Procedure for the Supervisory Board of NN Leven. According to article 1.6 of the Rules of Procedure for the Supervisory Board of NN Leven, the Supervisory Board shall meet at least once a year without the Management Board in attendance to discuss its own performance, the performance of the separate committees (if any have been set up) and of its individual members, and the conclusions that should be drawn. The desired profile, composition and competence of the Supervisory Board must also be discussed. Also, according to the Rules of Procedure for the Supervisory Board of NN Leven (article 1.8) the Supervisory Board shall meet at least once a year without the Management Board in attendance to discuss the performance of the Management Board, as both an Insurer body and in terms of its individual members, and the conclusions that should be drawn.

As in previous years, permanent education sessions were organised for the Management Board and the Supervisory Board of NN Leven.

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

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.

B.3 Risk management system including the Own Risk and Solvency Assessment
Description of NN Leven's risk management system
Reference is made to 'Manage our Risks' in the 2024 Annual Report of NN Leven for:

- A description of the risk management system which comprises strategies, processes and reporting procedures
- How NN Leven is able to effectively identify, assess, monitor, manage, and report, on a continuous basis and
- The risks to which NN Leven 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 is implemented and integrated into the organisational structure and decision-making processes of NN Leven.

System of governance continued

Own Risk and Solvency Assessment

The annual Own Risk and Solvency Assessment (ORSA) is a forward-looking assessment whether NN Leven remains adequality capitalised during the Business Plan period under a wide range of scenarios that may impact NN Leven's solvency position. In the ORSA, NN Leven assesses:

- Scenarios, based on the identified key risks, that can have a significant impact on NN Leven's solvency position during the Business Plan period, both for risks that are modelled as part of NN Leven's Partial Internal Model as well as risks that are not modelled explicitly
- the continuous appropriateness of the Partial Internal Model in the context of NN Leven's risk profile.

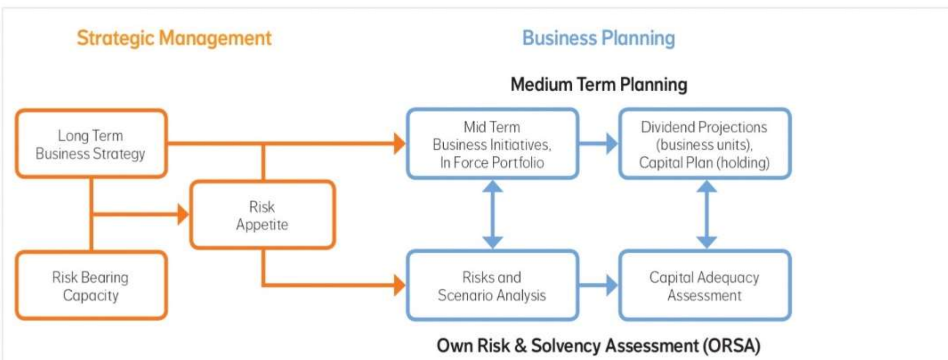
NN Leven prepares an ORSA at least once a year. In the ORSA, NN Leven:

- 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
- evaluates how susceptible the capital position is to shocks through stress testing and scenario analysis.

Different kinds of stress testing and scenario analysis examine the effect of severe but plausible scenarios on the capital position of NN Leven. Stress testing can also be initiated outside the ORSA, either internally or by external parties such as DNB and EIOPA.

The regular ORSA process as undertaken within NN Leven

The ORSA is linked to the strategic management and business planning processes as illustrated below:



Capital plan and projections

The strategy is further translated into a Capital Plan. The capital planning process starts with the annual budgeting process in which a capital plan is prepared for NN Leven with a time horizon of 5 years. The Capital Plan is based on current expectations including macroeconomic assumptions. The base-case and projected technical provisions are reviewed by the Actuarial Function to assess whether they represent a true and fair view of future liabilities. Second line risk reviews the Capital Plans. The Actuarial Function also provides input concerning the calculation of technical provisions and associated risks impacting the technical provisions.

Capital adequacy is ensured through the capital planning process and further analysed using the 1-in-20 year scenarios and specific stress scenarios that might change from time to time. In the ORSA process, the Capital Plan is used as the basis to further assess a wide range of scenarios during the business plan period.

Strategy and risk appetite

A thorough (re-)assessment of the strategy is usually done every 3-5 years, or when material developments in the (external or internal) environment require to do so. 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 for 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 potential solvency threatening risks by the MB of NN Leven, given the strategy and risk appetite. For both modelled and non-modelled risks, we apply stress testing, including scenario analysis, to understand and quantify the impact on our balance sheet.

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.

System of governance continued

Stress testing and overall assessment of capital adequacy
Based on the Business Plan and the outcomes of the strategic risk assessment, (reverse) stress scenarios and their parameters are developed and documented. The MB is responsible for identifying the key uncertainties and the related scenarios.

Scenario testing, as well as (reverse) stress testing is required for each ORSA. When the outcomes of the performed stress tests show Solvency II ratios are dropping below 100%, realistic strategies for recovering the Solvency II ratio will be considered and documented in the ORSA report. The Preparatory Crisis Plan (PCP) of NN Group includes a comprehensive overview of potential management actions that NN Leven can take to strengthen its capital and liquidity position. A capital downstream to NN Leven can only be considered if there is no other feasible management option left.

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

Governance of NN Leven’s Partial Internal Model
For the model governance and validation process, reference is made to ‘Manage our Risks’ in the 2024 Annual Report of NN Leven.

Model validation
Model validation, part of the Risk Management Function, is internally outsourced to NN Group. Model Validation aims to ensure that all material cash flow models and risk models are fit for their intended use. For the roles and responsibilities of Model Validation in the governance of the Partial Internal Model, reference is made to Note 41 ‘Risk management’ in the 2024 Annual Report of NN Leven.

B.4 The Internal control system and compliance function
Reference is made to ‘Manage our Risks’ in the 2024 Annual Report of NN Leven, section ‘Risk Governance’ which describes the activities of the Compliance Function as well as the sections ‘Risk Control Cycle’ and ‘Risk Profile/Non-financial risks’ which provide a description of compliance aspects of the risk management system.

B.5 Internal audit function
Reference is made to ‘Manage our Risks’ in the 2024 Annual Report of NN Leven, section ‘Risk Governance’ which describes the activities of the Internal Audit Function.

B.6 Actuarial function
Reference is made to ‘Manage our Risks’ in the 2024 Annual Report of NN Leven, section ‘Risk Governance’ which describes the activities of the Actuarial Function.

B.7 Outsourcing
External Outsourcing arrangements
NN Leven has outsourced part of its operational and IT processes to external service providers. In the normal course of business, NN Leven enters into various outsourcing arrangements with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of NN Leven include, amongst others, its associates, shared service centres, joint ventures, key management personnel and the defined benefit and contribution plans. NN Leven has internal policies ensuring that a formal written agreement is in place with the service provider, covering the relevant business and financial risks. NN Leven has implemented a framework which is closely monitored by the management of NN Leven to ensure maintaining adequate control over outsourcing activities.

For these external outsourcing arrangements written outsourcing 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 Leven enters 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.

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

- Facility services carried out by group companies for insurance and other entities
- Various other shared services, including finance and information technology
- Staff of NN Leven is employed by NN Personeel B.V. NN Leven is charged for its 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 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
- The transactions in financial instruments, such as shares, bonds, loans (excluding mortgage loans) and derivatives, are conducted via external asset managers, where the majority of the assets are managed by Goldman Sachs Group. Goldman Sachs Group makes use of Nationale-Nederlanden Interfinance B.V. for the execution of the transactions involving certain derivatives
- Nationale-Nederlanden Bank N.V. is the servicing and originating partner for most of mortgage loans held by NN Leven

For material intra-group outsourcing arrangements, a written intra-group outsourcing 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 in the 2024 Annual report of NN Leven and the NN Group website: https://www.nn-group.com/our-company/Corporate-governance.htm for other information regarding the system of governance of NN Leven and NN Group.

Risk profile

C. Risk Profile

Introduction

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

Risk profile per risk category

Reference is made to Note 41 'Risk management' in the 2024 Annual Report of NN Leven 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 in Note 41 'Risk management' in the 2024 Annual Report of NN Leven.

C.2 Market risk

Market risk is disclosed in Note 41 'Risk management' in the 2024 Annual Report of NN Leven.

C.3 Counterparty Default risk (Credit risk)

Counterparty Default risk is disclosed in Note 41 'Risk management' in the 2024 Annual Report of NN Leven.

C.4 Liquidity risk

NN Leven identifies two related liquidity risks: funding liquidity risks and market liquidity risks. These risks are disclosed in Note 41 'Risk management' in the 2024 Annual Report of NN Leven.

C.5 Operational risk

For operational risk NN Leven has developed a framework governing the process of identifying, assessing, mitigating, monitoring and reporting operational risks. Operational risk is disclosed in Note 41 'Risk management' in the 2024 Annual Report of NN Leven.

C.6 Other material risks

Strategic risks

Strategic risks are risks, related to shaping NN Leven's (future) business, arising from the external environment and/or from being unable to adapt effectively to changes in NN Leven's operating environment. An important topic that receives significant attention are risks related to ESG matters, including climate change. For more details reference is made to Note 41 'Risk Management' in the 2024 Annual Report of NN Leven.

Business conduct, people conduct and product suitability risks

Business conduct and people conduct risks are non-financial risks related to unethical or irresponsible behaviour when doing or representing the business and to the attitude and (perceived) behaviour of our workforce. Product suitability risks are non-financial risks that are related to products from a customer perspective. For more details reference is made to Note 41 'Risk Management' in the 2024 Annual Report of NN Leven.

Concentration risks

NN Leven 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 41 'Risk Management' in the 2024 Annual Report of NN Leven.

Investing assets in accordance with the 'Prudent person principle'

Acceptable investments

NN Group and its subsidiaries (NN Leven among these) 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, tax, Environmental, Social and Governance (ESG) matters and operational consequences that are relevant to the decision whether a Business Unit of NN Group can invest in the proposed asset class.

The NACA request does not describe a specific transaction but is a proposal for the potential investment in an asset. The quantitative impact of potential future investments and proposed portfolio limits for the asset class are described in the SAA of the entity and the mandates to the asset managers. 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, where the management is outsourced to a dedicated Central Investment Office, reporting directly to the CEO of NN Group. Within NN Leven the second line function Financial Risk Management reports to the CRO of NN Leven. Investment office, the Balance Sheet Management function within Finance and the CRO meet regularly in the NN Leven Asset & Liability Management Committee (ALCO), and in the Group ALCO for the most material issues. Operational activities regarding investments are performed by Goldman Sachs Group 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
- Asset Liability Management policy
- Strategic Asset Allocation Standard
- Concentration Risk Standard
- Financial Regulations Standard
- Interest Rate Risk Management Standard
- Investment Management Policy
- Investment Mandate Standard
- Liquidity Risk Management Standard
- Responsible Investment framework policy

Chief Investment Officer
Based on market views, NN Leven requirements and input from its assets managers, the Chief Investment Officer, will:

- Propose Investment Strategies for NN Leven
- Prepare or advise on Strategic Asset Allocation Studies and Reviews and Investment Plans based on these Studies and Reviews
- Prepare proposals for mandates containing investment limits and delegated approval levels for the asset managers
- Prepare Performance Measurement Guidelines of all investment decisions taken under the delegated approval authorities

Asset & Liability Management Committee
The NN Leven Asset and Liability Committee ('ALCO') oversees the activities and market risks related to investments and the matching of assets and liabilities at NN Leven level. The NN Leven ALCO has decision making authorities that are allocated from the NN Leven MB. Investment decisions are taken by the ALCO. The Strategic Asset Allocation and the interest rate risk policy must be approved by the NN Group ALCO. The NN Leven ALCO and/or MB remain responsible for these decisions. For this reason the NN Group ALCO can only approve or decline proposals and request amendments. The NN Leven ALCO and MB are required to inform the NN Group ALCO about any deviations from the requested amendments including a justification of their decision. The NN Leven ALCO is chaired by the Chief Risk Officer ('CRO') of NN Leven. A separate ALCO exists for defined contribution (DC) matters, overseeing the investment policy of DC lifecycle products.

The main responsibility of the ALCO is the oversight of risks related to the matching of assets and liabilities (Asset & Liability Management) and the consequences for the balance sheets and P&L of NN Leven. It includes risks related to the prevailing market circumstances and the possible adverse consequences for NN Leven. The ALCO also monitors and advises on insurance and business risks that can impact the balance sheet or P&L. NN Leven ALCO monitors investment performance and decides on investment strategy, investment mandates as well as investment proposals within risk limits as set by the ALCO at NN Group.

Solvency II sensitivity analysis
Reference is made to Note 41 'Risk Management' in the 2024 Consolidated annual accounts of NN Leven for a description of the methods used, the assumptions made and the outcome of a sensitivity analysis for material risks and events presented by the amount of the SCR and a breakdown by risk categories.

Risk exposure from off-balance sheet positions and transfer of risk to special purpose vehicles
Reference is made to Note 41 'Risk management' in the 2024 Annual Report of NN Leven regarding the risk exposure of NN Leven, including the exposure arising from off-balance sheet positions and describing the measures used to assess these risks. Reference is made to the 2024 Annual Review ('Our Risk Profile') for the Material risks that that NN Leven is exposed to.

As at 31 December 2024, no material risks were transferred to special purpose vehicles outside the consolidation scope of NN Leven. For the risks transferred to consolidated special purpose vehicles, reference is made to Note 37 'Structured entities' in the 2024 Annual Report of NN Leven.

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

Techniques used for mitigation of risks
Reference is made to Note 41 'Risk management' in the 2024 Annual Report of NN Leven 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 Leven and explains the differences with the valuations in the 2024 Annual Report of NN Leven.

Reconciliation IFRS Balance sheet to Solvency II Balance sheet

As at 31 December 2024 in EUR million	**IFRS Consolidated**	**Consolidation Scope**	**IFRS statutory**	**Presentation differences**	**Valuation differences**	**Solvency II**
Assets						
Cash and cash equivalents	2,620	-270	2,350			2,350
Investments at fair value through other comprehensive income	73,611	-672	72,939	742		73,681
Investments at cost	118	49	167		7	174
Investments at fair value through profit or loss	40,622	-5,823	34,799	-80	2	34,721
Investments in real estate	2,512	-2,420	92			92
Investments asscociates and joint ventures	6,881	6,556	13,437			13,437
Derivatives	2,602	-1	2,601	191		2,792
Insurance and reinsurance contracts	206		206	-243	374	337
Intangible assets	1		1		-1	
Property and equipment	52	-24	28			28
Deferred tax assets	8	105	113	-2	1,386	1,497
Other assets	3,861	-159	3,702	-718	-30	2,956
Total assets	**133,094**	**-2,659**	**130,435**	**-110**	**1,738**	**132,064**
Equity						
Shareholders' equity (parent)	11,956		11,956		-3,969	7,988
Minority interests	2,192	-2,192				
Undated subordinated notes	800		800	-800		
Total equity	**14,948**	**-2,192**	**12,756**	**-800**	**-3,969**	**7,988**
Liabilities						
Insurance, investment and reinsurance contracts	109,909		109,909	-608	4,589	113,890
Subordinated debt	1,100		1,100	809	4	1,913
Other borrowed funds	1,275	-14	1,261	11		1,272
Derivatives	3,326	-5	3,321	55		3,376
Deferred tax liabilities	141	-139	2	-2		
Other liabilities	2,395	-309	2,086	424	1,114	3,624
Total liabilities	**118,146**	**-467**	**117,679**	**690**	**5,707**	**124,076**
Total equity and liabilities	**133,094**	**-2,659**	**130,435**	**-110**	**1,738**	**132,064**

Reference is made to the 2024 Annual Report of NN Leven for more detailed information on the IFRS Balance sheet. Reference is made to QRT S.02.01.02 'Balance sheet' in the Appendix for the full Solvency II Balance sheet.

The values in these tables may differ from those included in Note 41 'Risk Management' in the 2024 Annual Report of NN Leven. These differences are due to classification and valuation differences which reflect a risk management view.

For Solvency II reporting, Principal subsidiaries are not consolidated line-by-line while they are consolidated for IFRS reporting. The impact from this difference is reflected above in the column 'Consolidation scope'.

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 differences occur, reference is made to Note 1 'Accounting policies', Note 26 'Fair value of financial assets and liabilities' and Note 27 'Fair value of non-financial assets' in the 2024 Annual Report of NN Leven. Which include a description of the bases, methods and main assumptions used for their valuation.

At 31 December 2024, 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 Leven amounted to EUR 3,981 million. Methods and models used in calculating the Solvency II technical provisions and the IFRS insurance liabilities differ substantially. The main valuation differences between IFRS and Solvency II are outlined below:

Valuation for Solvency purposes continued

- Different valuation rates are used to calculate the balance sheet value of insurance and investment contracts under IFRS and Solvency II
- For Solvency II the risk-free interest rate curve as published by EIOPA, including Volatility Adjustment (VOLA) and extrapolation to the Ultimate Forward Rate (UFR) is used. NN Leven does not apply a matching adjustment
- For IFRS the IFRS17 curve is used, including an illiquidity premium and a long-term forward rate (LTFR). The last liquid point in the extrapolation to the LTFR is at 30 years, where the Solvency II last liquid point is at 20 years
- Under IFRS 17 only directly attributable expenses are provisioned for
- Solvency II valuation of technical provisions includes a risk margin, whereas IFRS17 includes a risk adjustment. The two represent conceptually similar allowances for risk, however, due to differences in parameters and methodology the amounts are substantially different from each other
- IFRS includes a contractual service margin (CSM) in the insurance liability, while there is no equivalent in Solvency II. This represents the expected future profits to be recognised over the (remaining) lifetime of insurance contracts. In Solvency II any expected profit is recognised immediately in own funds upon initial recognition of the insurance contract

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

D.1 Assets

Accounting principles, methods and main assumptions used

In general, Solvency II valuation requires a market consistent approach to the valuation of assets and liabilities. The default reference framework for valuing assets and liabilities is IFRS as endorsed by the European Union ('IFRS-EU'). The IFRS balance sheet is mainly based on IFRS 9 and IFRS 17. For main assumptions used in determining fair value of assets and liabilities, reference is made to Note 26 'Fair value of financial assets and liabilities' and to Note 27 'Fair value of non-financial assets' in the 2024 Annual Report of NN Leven.

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. Differences due to a different scope of consolidation amounted to EUR -270 million as at 31 December 2024.

Investments at fair value through OCI, at cost and at fair value through profit or loss

In the IFRS balance sheet, investments are reported at fair value through other comprehensive income (OCI), at cost or at fair value through profit or loss. In the Solvency II balance sheet, investments are reported at market value. Valuation differences between IFRS and Solvency II for investments are small (EUR 9 million), as fair value generally equals market value. Presentation differences of EUR 662 million as at 31 December 2024 are caused by:

- Presentation of accrued interest as part of the investments, instead of a separate presentation as other assets 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 2024 Consolidated annual accounts of NN Group ('clean market value')

Differences due to a different scope of consolidation amounted to EUR -672 million (Fair value through OCI), EUR 49 million (Investment at Cost) and EUR -5,823 million (Fair value through P&L) as at 31 December 2024.

Investments in real estate

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 is a EUR -2,420 million difference in real estate investments due to a different scope of consolidation.

Investments in associates and joint ventures

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 6,556 million as at 31 December 2024 (IFRS values). There are no significant valuation or presentation differences as at 31 December 2024.

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).

Derivatives

The difference for derivatives due to the different scope of consolidation amounted to EUR -1 million. Presentation differences for derivatives amounted to EUR 191 million as at 31 December 2024 include the different presentation of accrued interest.

Valuation for Solvency purposes continued

Insurance contracts
Reference is made to section D.2 'Insurance and investment contracts' of this SFCR.

Reinsurance contracts
Valuation differences of EUR 374 million as at 31 December 2024 represents the difference between IFRS 17 and Solvency II:

- In Solvency II, the initial margin in the premium over the reinsurance is recognised immediately in Own Funds. In IFRS 17, such initial margin is recognised as contractual service margin and amortised and adjusted over time.
- In Solvency II the discount rate is prescribed by the prudential regulator, whereas the discount rate under IFRS 17 is set by NN Group taking into account the specific characteristics of NN Group's portfolios.
- In Solvency II no separate risk adjustments are to be included in the reinsurance contract valuation, whereas under IFRS 17 these are set by NN Group taking into account the specific characteristics of NN Group's portfolios.

The presentation difference amounted to EUR -243 million as at 31 December 2024 and consists of a presentation difference in reinsurance related receivables.

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 due to a different scope of consolidation amounted to EUR -24 million as at 31 December 2024.

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 sufficient future taxable profit will be available to cover the deferred tax asset, 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 25 'Taxation' of the 2024 Annual Report of NN Leven 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 and presentation of the underlying assets and liabilities amounted to EUR 1,384 million as at 31 December 2024. Differences due to a different scope of consolidation amounted to EUR 105 million as at 31 December 2024.

On the Solvency II balance sheet the deferred tax assets and liabilities are netted against each other to the extent allowed by the fiscal limits on offsetting (projected) tax gains and losses per (each future) year. As of 31 December 2024, the deferred tax asset on the Solvency II balance sheet was EUR 1,497 million, while the deferred tax liability was EUR 0 million.

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 -718 million as at 31 December 2024 consist of the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest bearing investments ('dirty market value') and not separately as other assets as in the 2024 Annual Report of NN Leven ('clean market value').

Differences in other assets recognised in the IFRS and the Solvency II Balance sheets due to a different scope of consolidation amounted to EUR -159 million as at 31 December 2024. There is a slight valuation difference between IFRS and Solvency II of EUR -30 million although fair value generally equals market value, these represent Acquisition costs to be attributed which are recognised under IFRS but not under Solvency II.

Changes in valuation bases
During 2024, 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 2024:

Value of technical provisions by Solvency II Business Line

As at 31 December 2024 in EUR million	BEL	Risk margin	Technical provisions
Technical provision by Solvency II Business line:			
1. Life	77,342	2,829	80,171
2. Health similar to life	-158		-158
3. Index-linked and Unit-linked	33,629	249	33,877
Total	**110,813**	**3,078**	**113,890**

Bases, methods and main assumptions used for solvency valuation

Technical Provisions are measured for Solvency II purposes as the sum of the BEL and a Risk Margin. The BEL are equal to the probability-weighted average of the present value of the future liability cash flows. The Risk Margin 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 Leven 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 Credit Risk Adjustments ('CRA') and a 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.

UFR for the Euro currency applicable from 1st January 2024 was set to 3.3%. This is in accordance to the EIOPA UFR report in which EIOPA has calculated ultimate forward rate (UFR) for 2024 in accordance with the methodology to derive the UFR. Note that the annual change of the UFR is limited to 15 basis points according to the methodology. The UFR of 3.3% was for the first time applicable for the calculation of the risk-free interest rates of 1 January 2024. In 2025 the UFR will remain unchanged at 3.3%.

Cash flows are projected along a sufficiently large set of risk-neutral interest rate scenarios to allow for one-sided financial options and guarantees. This is typical for business with profit sharing on top of a fixed interest rate guarantee and unit-linked products with a return guarantee. 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 as this would lead to the same result as using the risk neutral interest rate scenarios.

The cash flow projections consider future management actions that can be taken to mitigate the loss to NN Leven. These actions may cover expense reserving, 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 best estimate of liabilities.

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.

NN Leven reports a relatively small portion of un-modelled Technical Provisions (approx. 2% of Technical Provisions). For un-modelled business, in general, Technical Provisions are estimated either by scaling of modelled business or by setting Solvency II Technical Provisions equal to Tariff Reserves. Also a part of the Technical Provisions is calculated by means of other approximations or simplified modelling. The Actuarial Function Holder has provided an opinion that the approaches are acceptable given the materiality of these Technical Provisions.

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 Holder ('AFH').

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 best estimate of liabilities.

Risk margin

In addition to the BEL a Risk Margin is held to allow for non-hedgeable market and non-market risks. The calculation of the Risk Margin 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 Risk Margin.

Valuation for Solvency purposes continued

With the driver approach, the relevant sub risk SCRs - either Internal Model - are projected using appropriate risk drivers, multiplied by the cost of capital of 6%, then discounted at the relevant risk free rate term structure. These present values per sub risk are aggregated using the appropriate non-market risk correlation matrices and (sub)diversification factors. Note that this is a simplification as Solvency II requires the individual sub risk SCRs to be diversified at each future point in time. NN Leven's simplification does not lead to a material misestimation of the risk margin.

Assumptions

Non-financial assumptions

Assumptions are set for expenses, mortality, morbidity and other relevant insurance risks using historical experience of the insurance portfolio. Material assumptions are reviewed by NN Leven at least annually and submitted to the Model Committee (MoC) for approval or for information, depending on materiality, following NN Leven's model governance. Note that Best estimate assumptions are approved by the Pricing and Valuation MoC whereas Risk assumptions are approved by the Risk MoC.

Policyholder behaviour regarding lapses, partial and full surrenders and paid-ups are taken into account, subject to the boundaries of the contracts. Management actions are reflected in the cash flow projections. Future management actions are assumed for portfolios including discretionary benefits and expense reserving.

Boundaries of insurance contracts are based on a detailed investigation of terms and conditions.

Financial assumptions

NN Leven follows EIOPA requirements in determining the basic risk-free rates and the volatility adjustment to determine the relevant currency specific risk free rate term structure for valuation of Technical Provisions. Because EIOPA curves are not published in time for NN Leven to start their valuations, NN Leven 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 Leven manufactured curves. At year-end 2024, the EIOPA and NN Leven curves were identical.

Changes in assumptions

During 2024, NN Leven reviewed the 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 Leven, all material financial guarantees and contractual options included within the contract 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 as well as policyholder options such as paid-up, surrender etc. 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.

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.

The Actuarial Function Holder has assessed the allowances made in respect of options and guarantees in the technical provisions and the underlying assumptions, and came to the conclusion that the allowances are appropriate.

Level of Uncertainty

For the level of uncertainty associated with the value of the technical provision, reference is made to Note 41 'Risk Management' in the 2024 Annual Report of NN Leven.

Main differences between IFRS and Solvency II valuation of technical provisions

As at 31 December 2024 in EUR million	IFRS	Presentation and Valuation differences	Solvency II
Technical provision by Solvency II Business line:			
1. Life	77,373	2,798	80,171
2. Health similar to life		-158	-158
3. Index-linked and Unit-linked	32,536	1,341	33,877
Total	**109,909**	**3,981**	**113,890**

Valuation for Solvency purposes continued

Summary of main differences between IFRS and Solvency II as at 31 December 2024

At 31 December 2024, 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 Leven amounted to EUR 3,981 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:

- IFRS 17 allows certain accounting policy choices and requires judgment in setting certain assumptions that are different from those under Solvency II. The most important differences that are relevant to NN Leven are set out below.

Difference in Cash flows

Expense assumptions

In IFRS, expenses that are considered directly attributable are allocated to groups of insurance contracts and estimates of these expected future expense cashflows are included in the insurance liability. Non-attributable expenses are recognised directly in the profit and loss account when incurred. In principle, under IFRS, expenses that are necessary to serve the policyholder, including expenses to meet regulatory requirements as an insurance company, are considered directly attributable whereas other expenses such as corporate expenses, are not. Under Solvency II both types of expenses are considered directly attributable. As a result, expense provisioning under IFRS is lower, given that fewer expenses are in scope of IFRS provisioning.

Initial expenses / Acquisition costs

Under Solvency II, initial expenses are immediately absorbed in Own Funds. In contrast, for contracts accounted for under the General Model or Variable Fee Approach in IFRS, directly attributable acquisition costs are absorbed in the insurance liability (CSM) and then amortised in the profit and loss account over time.

Difference in discount rates

Under Solvency II the discount rate is prescribed by the regulator. It includes a credit risk adjustment (CRA) and a volatility adjustment (VOLA) on top of the swap curve for liquid tenors. Then it converges to an ultimate forward rate (UFR) of 3.3% as at 31 December 2024 after the last liquid point of 20 years.

Under IFRS, NN Leven determines the discount rate by taking into account the specific characteristics of NN Leven's portfolios. A liquid risk-free curve is used to which an illiquidity premium is added. The liquid risk-free curve is set per currency, while the illiquidity premium (ILP) is determined reflecting the characteristics of the entity's current assets. The total asset spread is adjusted for expected and unexpected credit losses. For the Euro currency, the risk-free curve is based on the swap rate and includes a last liquid point of 30 years and a long-term forward rate (LTFR). At 31 December 2024 the LTFR was 3.2% for EUR currency.

Difference in risk adjustment / risk margin

The risk adjustment for non-financial risk in IFRS is determined using the cost of capital methodology which is based on the Solvency II internal model. Although the cost of capital methodology is similar to Solvency II, there are some differences between the Solvency II risk margin and the IFRS 17 risk adjustment.

In the IFRS 17 risk adjustment, diversification between non-market and market risk within the entity, and diversification with other entities within NN Group (known as 'group diversification') are reflected, whereas this is not the case under Solvency II. The cost of capital rate under IFRS represents NN Group's view on the compensation required for bearing non-financial risk, with the cost of capital rate used in the fulfilment value of insurance liabilities being 4%, whilst it is a prescribed 6% under Solvency II.

Besides the differences already mentioned in the above paragraphs (expense attributability and discount rates) a further difference between IFRS and Solvency II is that operational risk is not included in the IFRS risk adjustment.

Note that the risk adjustment is presented in IFRS gross and in Solvency II net of reinsurance.

These differences resulted in a lower risk adjustment under IFRS.

Other differences

Contractual service margin

The contractual service margin is included in the insurance liability under IFRS, while there is no equivalent in Solvency II. In Solvency II any expected profit is recognised immediately in own funds when initially recognising the insurance contract.

Scope

Investment contracts (without discretionary participation features) are in scope of Solvency II technical provisions, but out of scope of the insurance contracts under IFRS. Instead these contracts are reported as investment contracts under IFRS 9.

Payables and receivables

In Solvency II, insurance related payables and receivables, including policy loans, are presented as part of other liabilities and other assets whilst in IFRS 17 these are presented as part of the insurance liability.

Valuation for Solvency purposes continued

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

QRT S.22.01.21 '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.22.01.21 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 Leven, the volatility adjustment 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 and Matching Adjustment are not applied by NN Leven.

Volatility adjustment

NN Leven 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 curve includes a volatility adjustment component. As at 31 December 2024, the level of the volatility adjustment for the Euro currency was 23 bps (31 December 2023: 20 bps). The application of the volatility adjustment resulted in a reduction of EUR 2,263 million in technical provisions, contributing EUR 1,679 million (after tax) to Basic own funds as at 31 December 2024.

In the calculation of the SCR, NN Leven assumes no change to the volatility adjustment after a shock-event, but reflects the illiquidity of liabilities in the asset shocks to ensure appropriate solvency capital requirements. This volatility adjustment approach is approved by DNB, in particular to ensure appropriate risk incentives on asset allocation decisions. NN Leven also shocks all government bonds and its mortgage portfolio in the calculation of spread risk capital requirements. 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.

The Partial Internal Model of NN Leven is an integrated model in which the current approach of reflecting the illiquidity of the liabilities in the asset shocks is an integral part. If the volatility adjustment would be excluded from the SCR calculation, spreads on government bonds and mortgages would, in the opinion of NN Leven, need to be adjusted accordingly. However, for the completion of QRT S.22.01.21 'Impact of long term guarantees and transitional measures' in the Appendix, NN Leven is required to reflect only the impact of excluding the volatility adjustment from Eligible Own Funds and the SCR, without adjusting the asset shocks.

The impact of removing the volatility adjustment from Own Funds increased in 2024 versus 2023 as the level of the volatility adjustment in the yield curve as published by EIOPA has increased from 20 bps per 31 December 2023 to 23 bps per 31 December 2024. During the year of 2024, the volatility adjustment initially decreased to 16 bps at 30 June 2024 after which it increased to 23 bps at 31 December 2024.

D.3 Other liabilities

Subordinated debt and Other borrowed funds

In the IFRS balance sheet, subordinated debt 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 Leven's own credit risk after initial recognition. In the Solvency II value, the change in the own credit risk after initiation 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.

Presentation differences include 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 2024 Annual Report of NN Leven ('clean market value'). In addition to this presentation difference, the undated subordinated notes presented as equity under IFRS are presented as liability under Solvency II. Total presentation differences for subordinated debt amounted to EUR 809 million as at 31 December 2024.

There is a EUR -14 million differences due to a different scope of consolidation for the other borrowed funds as at 31 December 2024 and there are presentation differences for EUR 11 million. Valuation differences amount to EUR 4 million for subordinated debt.

Deferred tax liabilities

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in accordance 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', the reported deferred tax assets and liabilities differ between IFRS and Solvency II. Differences due to a different scope of consolidation amounted to EUR -139 million as at 31 December 2024.

Valuation for Solvency purposes continued

On the Solvency II balance sheet the deferred tax assets and liabilities are netted against each other to the extent allowed by the fiscal limits on offsetting (projected) tax gains and losses per (each future) year. As of 31 December 2024, the deferred tax asset on the Solvency II balance sheet was EUR 1,497 million, while the deferred tax liability was EUR 0 million.

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 424 million as at 31 December 2024 of accrued interest transferred to Subordinated debt and to Financial liabilities at fair value through profit or loss. 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 2024 Annual Report of NN Leven (‘clean market value’).

Valuation differences of EUR 1,114 million at 31 December is mainly due to the Czech reinsurance construction. This is a reinsurance agreement between NN Leven and NN RE. Under SII this contract is presented as 'other liabilities', whereas under IFRS 17 it is included on the asset side under the reinsurance contracts.

Differences due to a different scope of consolidation amounted to EUR -309 million as at 31 December 2024.

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

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

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

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

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

- A recognition difference: contingent liabilities are not recognised in the IFRS balance sheet, but are recognised in the Solvency II balance sheet if the exposure can be reliably estimated
- A measurement difference: provisions are measured in the IFRS balance sheet using the best estimate outcome (i.e. the full amount that may be incurred), while Solvency II requires a provision for the probability weighted outcome (i.e. the probability multiplied by the impact of the differences as at 31 December 2024)

For more details on other provisions and contingent liabilities, reference is made to Note 34 ‘Contingent liabilities and commitments’ and Note 35 ‘Legal proceedings’ in the 2024 Annual Report of NN Leven.

The valuation difference between IFRS and Solvency II for provisions and contingent liabilities had no material impact at 31 December 2024.

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.23.01.01 ‘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 30 ‘Liabilities by maturity’ in the 2024 Annual Report of NN Leven. Uncertainties surrounding the amount or timing of the outflows of economic benefits is described in the Liquidity Risk paragraph in Note 41 ‘Risk management’ in the 2024 Annual Report NN Leven. 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 2024
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
Alternative valuation methods used
Alternative valuation methods are used by NN Leven to determine the fair value of assets and liabilities if quoted market prices in active markets are unavailable. Reference is made to Note 26 ‘Fair value of financial assets and liabilities’ and Note 27 ‘Fair value of non-financial assets’ in the 2024 Annual Report of NN Leven for more information on the valuation approaches used.

Valuation for Solvency purposes continued

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 2024 Annual Report of NN Leven. The valuation methods used if the markets are inactive are described in Note 26 ‘Fair value of financial assets and liabilities’ in the 2024 Annual Report of NN Leven.

Estimation uncertainties

For the major sources of estimation uncertainty, reference is made to Note 41 ‘Risk Management’ in the 2024 Annual Report of NN Leven.

Capital management

E. Capital Management

Introduction

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

E.1 Own funds

Reference is made to Note 42 'Capital and liquidity management' in the 2024 Annual Report of NN Leven for:

- The objectives, policies and processes employed by NN Leven 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, principal loss-absorbency mechanism and any other features that are relevant for assessing its quality
- The amount of Eligible Own Funds to cover the SCR, classified by tiers and eligibility restrictions

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
- Paid-in preference shares and 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
- Qualifying subordinated debts

NN Leven did not have ancillary own funds during 2024 or as at 31 December 2024.

Impact of long term guarantees and transitional measures

The quantification of the impact of a change of the volatility adjustment to zero on NN Leven'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.22.01.21 'Impact of long term guarantees and transitional measures' in the Appendix. No transitional measures are applicable for NN Leven.

Items deducted from own funds

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

Recognition of 'foreseeable dividends, distributions and charges' under Solvency II are relevant for NN Leven in two circumstances:

- Dividends: no foreseeable dividends are subtracted from the 31 December 2024 own funds
- Coupons on subordinated liabilities: from the equity per 31 December 2024 an amount of EUR 9 million is subtracted as accrued coupon in relation to the subordinated liabilities

Additional ratios

No additional ratios are disclosed in this Solvency and Financial Condition Report other than the ratios included in QRT S.23.01.01 '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 42 'Capital and liquidity management' in the 2024 Annual Report of NN Leven for an analysis of significant changes in own funds.

The principal loss-absorbency mechanism

The Tier 1 subordinated notes possess a principal loss-absorbency mechanism such that, in case of specified trigger events related to non-compliance with the SCR or MCR as specified in Solvency II legislation, (part of) the principal amount of the notes can be (temporarily) written-down to immediately absorb losses. Reference is made to Note 42 'Capital and liquidity management' in the 2024 Annual Report of NN Leven for more details.

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 amount equal to the value of net deferred tax assets
- Foreseeable dividends, distributions and charges

Capital management continued

Reconciliation IFRS equity to Own Funds

Reconciliation IFRS equity to Solvency II Basic Own Funds

In EUR million	2024	2023
IFRS Statutory Equity	12,756	12,886
Presentation differences – Undated subordinated notes	-800	-800
Elimination of acquisition costs to be allocated and other intangible assets	-1	-21
Valuation differences on assets	353	439
Valuation differences on liabilities, including insurance and investment contracts	-5,706	-4,541
Deferred tax effects on valuation differences	1,386	1,079
Excess assets/ liabilities	**7,988**	**9,042**
Qualifying subordinated debt	1,913	1,895
Foreseeable dividends and distributions	-9	-34
Basic Own Funds	**9,892**	**10,903**

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

Intra-group transactions
There are five significant transactions with other companies within NN Group worth mentioning.

- All liabilities stemming from commercial contracts from the Czech branch are reinsured at NN Re
- There are derivative transactions from NN Leven conducted via Nationale-Nederlanden Interfinance B.V. (NN IF)
- NN Leven and NN IF have entered a EUR 1,000 million loan facility for the purpose of liquidity risk management. At year-end 2024 no funds were borrowed under this loan agreement
- NN Leven and NN IF have a Collateral Borrowing Facility Agreement to lend amounts to NN IF to satisfy NN IF's cash collateral obligations. At year-end 2024 an amount of EUR 325 million has been borrowed by NN IF from NN Leven
- NN Group N.V. provided to NN Leven several subordinated loans qualifying as Tier 1 and Tier 2 own funds. For more details on these loans refer to Note 42 'Capital and liquidity management' of the 2024 Annual Report of NN Leven

Eligibility of Own Funds
The Solvency II directive requires that insurance undertakings hold sufficient Eligible Own Funds to cover the Solvency Capital Requirement. EUR 766 million in assets are non-eligible.

Reference is made to Note 42 'Capital and liquidity management' in the 2024 Annual Report of NN Leven for the reconciliation of available to eligible Own Funds of NN Leven.

E.2 Solvency Capital Requirement and Minimum Capital Requirement
SCR
Reference is made to QRT S.25.05.21 and S.28.01.01 in the Appendix and Note 41 'Risk management' of the 2024 Annual Report of NN Leven for the amount of the SCR split by risk categories.

NN Leven 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 Leven's total loss in a 1-in-200 adverse event would be offset by tax recoveries and these are recognised to the extent to be expected to be recoverable. The determination of LAC DT is significantly dependent on various assumptions, such as capitalisation assumptions, the assumed investment returns and the projection period

Minimum Capital Requirement

In EUR million	2024	2023
Eligible Own Funds to cover Minimum Capital Requirements	7,720	8,749
of which Tier 1 unrestricted	6,482	7,529
of which Tier 1 restricted	800	780
of which Tier 2	438	440
Minimum Capital Requirements	**2,192**	**2,202**

Deferred tax under Solvency II
Reference is made to section E6 'Any other information' of this SFCR.

E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement
NN Leven does not use 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

For year-end reporting, DNB approved the calculation of the SCR of former ABN AMRO Levensverzekering N.V. on the Partial Internal Model.

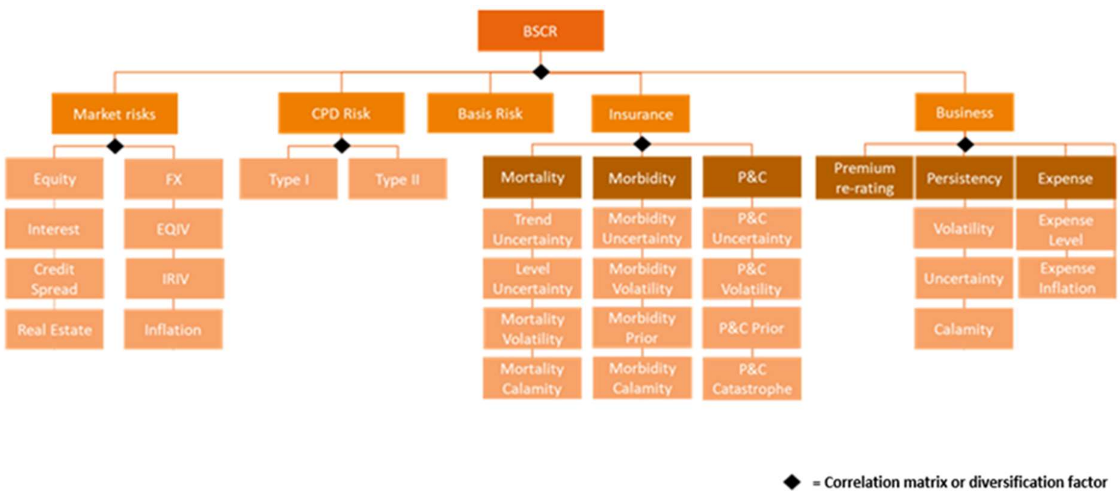
Internal Model vs Standard Formula

NN Leven applies a Partial Internal Model as it better reflects the risk profile and facilitates better risk management purposes. In particular:

- An Internal Model approach better reflects the specific assets and therefore the market risk in the portfolio of NN Leven e.g. property risk, sovereign and other credit spread risks. In addition, the approach to the most significant non-market risks within NN Leven such as life risk and expense risk is better tailored to the specific portfolio characteristics and statutory reserves set up according to local company law
- The Internal Model accounts for the effect of the volatility adjustment for spread risk by means of an approach recognising the illiquidity of liabilities in setting 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 Leven's volatility adjustment.

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

Risk arises from the possibility that actual occurrences will negatively deviate from expectations, resulting in economic losses for NN Leven. In this respect, NN Leven identified the following risk factors and developed accompanying P&L distributions as part of its Internal Model, leading to the Basic Solvency Capital requirement ('BSCR')[1]:



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 risk is defined as 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 risk is defined as the possibility of adverse changes in Solvency II own funds due to adverse changes in the level of interest rate implied volatilities
- Foreign exchange (FX) implied volatility risk is defined as 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 the Internal Model and the Standard Formula in covered risk factors are:

Interest Rate Risk:

- The Internal Model uses relative shocks to the actual interest rate curves, while the Standard Formula applies absolute shocks based on the interest rate curves at the time of calibration.
- The Internal Model allows for shocking negative interest rates, whereas the Standard Formula does not.
- NN PIM includes the interest sensitivity of the Risk Margin.
- In the Internal Model, first, the skock is applied o the interest rates and then the resulting rates are extrapolated to the Ultimate Forward Rate (UFR). In the Standard Formula the interest rates are first extrapolated to the UFR and afterwards the shock is applied.

[1] This scheme reflects the NN Group Internal Model, some risks are not applicable for NN Leven

Capital management continued

Equity Risk:

- Level of shocks differs because PIM shocks are calibrated to the equity portfolio of NN Group and due to the so-called 'symmetric adjustment'. Standard Formula Equity risk SCR includes a 'symmetric adjustment' reducing/increasing the shock applied to the equity portfolio in case markets have fallen/risen in the last 3 years.

Credit Spread Risk:

- Shocks in the Internal Model apply to all fixed income assets and mortgages, whereas the Standard Formula does not apply shocks to the sovereign bonds issued by EU governments and mortgages. Under Standard Formula, mortgages are shocked under Counterparty Default risk module.
- 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 our liabilities through the Aligned Reference Portfolio (ARP) approach.

Real Estate Risk:

- Shocks applied in the Standard Formula are 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 actual exposures of NN Group.

Counterparty Default Risk:

- The Counterparty Default Risk module in the Standard Formula includes shocks applied to mortgage exposure, which are included under the Credit Spread risk module in the Internal Model.

Diversification within the Market Risk module:

- The Internal Model captures the dependency structure between risk drivers by means of a Gaussian copula, while Standard Formula correlates between losses by means of the variance-covariance method.

Life Risk:

- The standard formula model treats liabilities exposed to mortality and longevity risk separately. For longevity risk, the standard formula model assumes an instantaneous 20% reduction of the Best Estimate mortality rates across all ages and for both genders. The standard formula assumes an instantaneous 15% increase of the Best Estimate mortality rates across all ages and for both genders for mortality risk. The standard formula does not differentiate between the uncertainty of the current mortality rates and the future improvement rates.
- For the internal model, the Life risk (excl. volatility and calamity) is comprised of two separate elements:
    1. the uncertainty related to the future mortality improvement rates
    2. the uncertainty that originates from the current portfolio mortality level.

The shocks are age and gender-specific for both components and calibrated on the European and portfolio data. For the first element, the (longevity) shock is unique across all portfolios. For the second element, the shock is portfolio-specific (either mortality or longevity depending on the portfolio)

The table below shows a breakdown of the SCR under the Internal Model in 2024 Q4:

Solvency Capital Requirement

In EUR million	2024	2023
Market Risk	5,108	5,237
Counterparty Default Risk	25	31
Non-market risk	2,593	2,652
Diversification	-1,887	-1,832
Partial Internal Model BSCR	**5,839**	**6,088**
Operational Risk	387	382
Capital adjustment	17	137
Loss-Absorbing Capacity of Technical Provisions	-25	-15
Loss-Absorbing Capacity of Deferred Taxes	-1,346	-1,395
Total SCR	**4,872**	**5,198**

The overall market risk SCR decreased from EUR 5,237 in 2023 to EUR 5,108 million in 2024; this change can mainly be attributed to lower equity- and real estate risk, more market risk diversification benefit, and partly offset by higher credit spread risk. The non-market risk SCR decreased from EUR 2,652 million in 2023 to EUR 2,593 million in 2024, caused mainly by model refinements and a reinsurance transaction executed at year-end 2024. These changes are partly offset by the increase in non-market SCR due to the decrease in interest rates.

The loss absorbing capacity of deferred taxes (LAC DT) recognised as a percentage of gross SCR has increased from 21.2% to 21.6%. LAC DT has decreased in absolute value because of a lower gross SCR.

Capital management continued

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

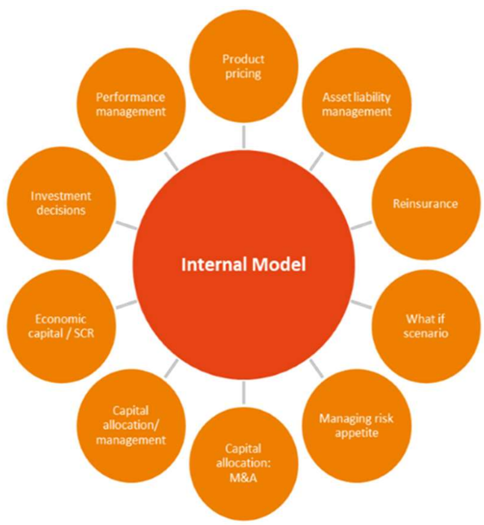
Market data is collected from pre-defined external data sources. All relevant market data must be used when it is available and is of sufficient quality. For most of the market risk models NN Group uses standard well established market data sources, e.g. Refinitiv. The data is analysed for correctness as part of the calibration process.

The use of the Internal Model

The Internal Model allows NN Leven 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 Leven's risk appetite
- The model allows NN Leven 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 Leven to proactively define its risk measurement and management approach rather than awaiting (generic) industry changes to the Standard Formula

The PIM is widely used within NN Leven and in its system of governance and risk management processes. The following diagram shows an overview of the key purposes for which NN's Partial Internal Model is used.



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

Fitting a distribution to a set of data is the main process within the PIM. Therefore, no distribution is assumed as given but rather chosen based on goodness of fit tests.

The main distributions used within the PIM are from the generalised hyperbolic distribution family, which under special or limiting cases can be Normal Inverse Gaussian (NIG), Student t, or the Normal distribution.

Reference is made to Note 41 'Risk management' in the 2024 Annual Report of NN Leven for more information on the risk measure and time period used in the Partial Internal Model.

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

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

Capital management continued

E.6 Any other information
Reference is made to Note 42 'Capital and liquidity management' in the 2024 Annual Report of NN Leven for any other material information regarding the capital management of NN Leven and financial leverage of NN Leven.

Deferred tax under Solvency II
- 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 in the balance sheet. Reference is made to section D.1 'Assets' for the deferred tax asset recognised in the Solvency II balance sheet.
- Unused tax losses that are available for carry forward for tax purposes.
- The Loss Absorbing Capacity of deferred taxes on the Solvency Capital Requirement ('LAC DT' on the SCR).

Not all valuation differences between the tax basis and Solvency II and SCR shocks will lead to deferred tax as certain elements are tax exempt. 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 tax exempt. 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. Any portion of the deferred tax liability that does not relate to the same taxation authority and the same taxable entity and/or does not reverse in the same period as the deferred tax asset or in a period in which a tax loss can be carried back or forward, is not netted with the deferred tax asset and presented separately as a deferred tax liability.
- It is probable that the entity will have sufficient taxable profit relating to the same taxation authority and the same taxable entity in the same period as the reversal of the deductible temporary difference (or in the periods into which a tax loss arising from the deferred tax asset can be carried back or forward).
- Tax planning opportunities are available.

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

Specific Solvency II guidance applies to '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 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 Solvency II requirements 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.

Capital management continued

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

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

The following items are 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, and net of expected dividends
- Taxable part of investment spread in excess of interest accretion on liabilities over their remaining duration
- Profits from estimated new business
- Other taxable items

The most important assumption in determining estimated future taxable profits to support the DTA and LAC DT is the investment spread that is used both to determine the taxable return on capital after the shock and the taxable part of investment spread in excess of interest accretion on liabilities and funding costs. This investment spread after shock is assumed to be similar to the investment spread before shock (i.e. the positive impact on spreads from the recovery after shock is not taken into account) and the spreads are set at the same level as used for other purposes (including strategic asset allocation and business and capital planning). In determining the total recoverable deferred tax amount, the uncertainty around future taxable profits and the increasing degree of uncertainty in future taxable profits as the projection horizon becomes longer are taken into account. This is done by excluding certain profit sources, setting conservative assumptions and/or calculating various alternative scenarios to assess the (potential) impact of these scenarios on the LAC DT. Scenarios that are used to reflect uncertainty include a scenario of higher/lower technical results (impacting the release of the risk margin) and higher/lower investment spreads (impacting the investment return in excess of interest accretion on liabilities). By applying multiple scenarios in which the relevant uncertainties occur, the quantification of the uncertainties and the LAC DT impact are calculated with a weighted average of the outcomes of those scenarios and reflected in the recognised LAC DT.

The LAC DT recognised as at 31 December 2024 was EUR1,346 million. This LAC DT was supported by expected taxable profits for the current year and future years. NN Leven has sufficient recoverable amounts to support the total deferred tax position recognised in SCR and on the balance sheet.

The net deferred tax asset is classified as Tier 3 capital. Eligible Tier 3 capital cannot exceed 15% of the NN Leven SCR.

Subsequent events

Reference is made to Note 40 'Subsequent and other events' in the 2024 Annual Report of NN Leven for the nature and the effect of material events arising after the balance sheet date which are not reflected in the balance sheet, if any.

Appendix 1

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

This appendix includes certain Quantitative Reporting Templates ('QRTs') of NN Leven, 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 Leven's Consolidated Annual Report
S.12.01.02	Life and Health SLT Technical Provisions	Information on life and health similar to life provisions split by line of business
S.22.01.21	Impact of long term guarantees and transitional measures	Information on the impact of the long term guarantee and transitional measures
S.23.01.01	Own Funds	Information on Own Funds, including Basic Own Funds
S.25.05.21	Solvency Capital Requirement	Solvency Capital Requirement - for undertakings using an internal model (partial or full)
S.28.01.01	Minimum Capital Requirement – Only life insurance or reinsurance activity	Information on the Minimum Capital Requirement

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

Appendix 1 continued

S.02.01.02 Balance sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	1,496,963
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	27,641
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	62,051,051
Property (other than for own use)	R0080	91,760
Holdings in related undertakings, including participations	R0090	13,436,610
Equities	R0100	2,422,773
Equities - listed	R0110	2,272,325
Equities - unlisted	R0120	150,448
Bonds	R0130	38,973,401
Government Bonds	R0140	25,198,883
Corporate Bonds	R0150	12,588,683
Structured notes	R0160	109,712
Collateralised securities	R0170	1,076,123
Collective Investments Undertakings	R0180	4,214,444
Derivatives	R0190	2,792,056
Deposits other than cash equivalents	R0200	120,008
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	32,541,407
Loans and mortgages	R0230	32,409,001
Loans on policies	R0240	3,868
Loans and mortgages to individuals	R0250	23,661,582
Other loans and mortgages	R0260	8,743,551
Reinsurance recoverables from:	R0270	337,268
Non-life and health similar to non-life	R0280	
Non-life excluding health	R0290	
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-643,816
Health similar to life	R0320	-165,909
Life excluding health and index-linked and unit-linked	R0330	-477,907
Life index-linked and unit-linked	R0340	981,084
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	175,650
Reinsurance receivables	R0370	43,529
Receivables (trade, not insurance)	R0380	582,972
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	244,867
Any other assets, not elsewhere shown	R0420	2,153,428
Total assets	**R0500**	**132,063,778**

Appendix 1 continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	
Technical provisions – non-life (excluding health)	R0520	
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	
Risk margin	R0550	
Technical provisions - health (similar to non-life)	R0560	
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	80,012,909
Technical provisions - health (similar to life)	R0610	-158,187
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	-158,187
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	80,171,096
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	77,341,852
Risk margin	R0680	2,829,244
Technical provisions – index-linked and unit-linked	R0690	33,877,473
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	33,628,841
Risk margin	R0720	248,632
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	359,998
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	1,103,480
Deferred tax liabilities	R0780	
Derivatives	R0790	3,376,479
Debts owed to credit institutions	R0800	2,562,324
Financial liabilities other than debts owed to credit institutions	R0810	29,303
Insurance & intermediaries payables	R0820	510,229
Reinsurance payables	R0830	24,901
Payables (trade, not insurance)	R0840	224,731
Subordinated liabilities	R0850	1,913,224
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	1,913,224
Any other liabilities, not elsewhere shown	R0880	81,011
Total liabilities	**R0900**	**124,076,062**
Excess of assets over liabilities	**R1000**	**7,987,716**

Appendix 1 continued

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

		Line of Business for: life insurance obligations				Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	
		C0210	C0220	C0230	C0240	C0300
Premiums written						
Gross	R1410	93,511	214,224	2,002,698	2,538,199	4,848,630
Reinsurers' share	R1420	93,511	18,736	78,707	1,722,820	1,913,773
Net	R1500	-0	195,487	1,923,991	815,379	2,934,857
Premiums earned						
Gross	R1510	93,511	214,224	2,004,054	2,538,199	4,849,987
Reinsurers' share	R1520	93,511	18,736	80,063	1,722,820	1,915,130
Net	R1600	0	195,487	1,923,991	815,379	2,934,857
Claims incurred						
Gross	R1610	27,946	1,243,321	1,267,772	3,565,478	6,104,518
Reinsurers' share	R1620	27,946	66,643	95,085	1,653,191	1,842,865
Net	R1700	-0	1,176,678	1,172,687	1,912,287	4,261,652
Expenses incurred	R1900	25,860	38,786	202,411	340,923	607,979
Balance - other technical expenses/income	R2510					102,814
Total technical expenses	R2600					710,794
Total amount of surrenders	R2700	181	139,273	417,760	248,946	806,160

Appendix 1 continued

S.12.01.02 Life and Health SLT Technical Provisions

		Index-linked and unit-linked insurance				Other life insurance				Health insurance (direct business)		
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantee s	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0150	C0160	C0170	C0210
Technical provisions calculated as a whole	R0010											
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020											
Technical provisions calculated as a sum of BE and RM												
Best Estimate												
Gross Best Estimate	R0030	13,527,626		29,061,045	4,567,796		53,052,252	10,761,974	110,970,693		-158,187	-158,187
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	266,944		981,487	-403		-743,992	-859	503,177		-165,909	-165,909
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	13,260,682		28,079,558	4,568,199		53,796,244	10,762,833	110,467,516		7,722	7,722
Risk Margin	R0100	192,210	248,632			2,637,034			3,077,876	0		0
Technical provisions - total	R0200	13,719,836	33,877,473			66,451,260			114,048,569	-158,187		-158,187

Appendix 1 continued

S.22.01.21 Impact of long term guarantees and transitional measures

		Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero[1]	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	113,890,382			2,262,678	
Basic own funds	R0020	9,891,730			-1,678,944	
Eligible own funds to meet SCR	R0050	9,125,571			-1,259,744	
SCR	R0090	4,872,030			6,686,229	
Eligible own funds to meet MCR	R0100	7,719,885			-2,123,248	
Minimum Capital Requirement	R0110	2,192,413			697,151	

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

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

Appendix 1 continued

S.23.01.01 Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	22,689	22,689			
Share premium account related to ordinary share capital	R0030	4,228,029	4,228,029			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,230,825	2,230,825			
Subordinated liabilities	R0140	1,913,224		799,859	1,113,365	
An amount equal to the value of net deferred tax assets	R0160	1,496,963				1,496,963
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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 should 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					
Total basic own funds after deductions	R0290	9,891,730	6,481,543	799,859	1,113,365	1,496,963
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					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	9,891,730	6,481,543	799,859	1,113,365	1,496,963
Total available own funds to meet the MCR	R0510	8,394,767	6,481,543	799,859	1,113,365	
Total eligible own funds to meet the SCR	R0540	9,125,571	6,481,543	799,859	1,113,365	730,804
Total eligible own funds to meet the MCR	R0550	7,719,885	6,481,543	799,859	438,483	
SCR	R0580	4,872,030				
MCR	R0600	2,192,413				
Ratio of Eligible own funds to SCR	R0620	1.87				
Ratio of Eligible own funds to MCR	R0640	3.52				

Appendix 1 continued

S.25.05.21 Solvency Capital Requirement

		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Risk type					
Total diversification	R0020	-6,220,046	-6,220,046		
Total diversified risk before tax	R0030	0	0		
Total diversified risk after tax	R0040	0	0		
Total market & credit risk	R0070	7,871,817	7,871,817		
Market & Credit risk - diversified	R0080	5,089,474	5,089,474		
Credit event risk not covered in market & credit risk	R0190	26,706	26,706		
Credit event risk not covered in market & credit risk - diversified	R0200	25,252	25,252		
Total Business risk	R0270	0	0		
Total Business risk - diversified	R0280	0	0		
Total Net Non-life underwriting risk	R0310	0	0		
Total Net Non-life underwriting risk - diversified	R0320	0	0		
Total Life & Health underwriting risk	R0400	4,132,591	4,132,591		
Total Life & Health underwriting risk - diversified	R0410	2,592,732	2,592,732		
Total Operational risk	R0480	387,062	0		
Total Operational risk - diversified	R0490	387,062	0		
Other risk	R0500	0	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	8,139,449
Diversification	R0060	-1,896,393
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement excluding capital add-on	R0200	6,243,056
Capital add-ons already set	R0210	0
Capital add-ons already set - Article 37 (1) Type a	R0211	0
Capital add-ons already set - Article 37 (1) Type b	R0212	0
Capital add-ons already set - Article 37 (1) Type c	R0213	0
Capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	4,872,030
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-24,957
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-1,346,070
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	0
Net future discretionary benefits	R0460	0

Approach to tax rate		Yes/No
		C0109
Approach based on average tax rate	R0590	No

Calculation of loss absorbing capacity of deferred taxes		Before the shock	After the shock	LAC DT
		C0110	C0120	C0130
DTA	**R0600**	**1,496,963**	**2,843,032**	
DTA carry forward	R0610	0	0	
DTA due to deductible temporary differences	R0620	1,496,963	2,843,032	
DTL	**R0630**	**0**	**0**	
Amount/estimate of LAC DT	**R0640**			**-1,346,070**
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650			0
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660			-1,346,070
Amount/estimate of AC DT justified by carry back, current year	R0670			0
Amount/estimate of LAC DT justified by carry back, future years	R0680			0
Amount/estimate of Maximum LAC DT	R0690			-1,367,591

Appendix 1 continued

S.28.01.01 Minimum Capital Requirement – Only life insurance or reinsurance activity

		C0040
MCR_L Result	R0200	2,268,155

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	12,936,361	
Obligations with profit participation - future discretionary benefits	R0220	324,321	
Index-linked and unit-linked insurance obligations	R0230	32,647,757	
Other life (re)insurance and health (re)insurance obligations	R0240	64,566,799	
Total capital at risk for all life (re)insurance obligations	R0250		317,053,384

Overall MCR calculation		C0070
Linear MCR	R0300	2,268,155
SCR	R0310	4,872,030
MCR cap	R0320	2,192,413
MCR floor	R0330	1,218,007
Combined MCR	R0340	2,192,413
Absolute floor of the MCR	R0350	4,000
Minimum Capital Requirement	R0400	2,192,413

Appendix 1

Contact and legal information

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Disclaimer

NN Leven'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 2024 NN Levens Consolidated annual accounts, except as indicated in chapter D 'Valuation for Solvency Purposes' of the 2024 Solvency and Financial Condition Report.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements in this 2024 SFCR are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Leven's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro or European Union countries leaving the European Union, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations and the interpretation and application thereof, (13) changes in the policies and actions of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to NN Leven of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Leven's ability to achieve projected operational synergies, (18) catastrophes and terrorist-related events, (19) operational and IT risks, such as system disruptions or failures, breaches of security, cyber-attacks, human error, changes in operational practices or inadequate controls including in respect of third parties with which we do business, (20) risks and challenges related to cybercrime including the effects of cyberattacks and changes in legislation and regulation related to cybersecurity and data privacy, (21) business, operational, regulatory, reputation and other risks and challenges in connection with Sustainability matters (please see the link to our Sustainability matters definition www.nn-group.com/sustainability/policies[1]reports-and-memberships/policy-and-report-library.htm), (22) the inability to retain key personnel, (23) adverse developments in legal and other proceedings and (24) the other risks and uncertainties contained in recent public disclosures made by NN Leven, NN Group and/or related to NN Leven and/or NN Group.

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

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