



SFCR 2025

Nationale-Nederlanden Schadeverzekering
Maatschappij N.V.
2025 Solvency and Financial Condition Report



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Summary

NN Schade'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 Schadeverzekering Maatschappij N.V. ('NN Schade') on Solvency II as required by the Solvency II legislation. NN Schade already discloses most of the information that is required to be included in the SFCR in its 2025 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 is not duplicated in this SFCR. Therefore, this SFCR is prepared as a supplement to NN Schade's Annual Report. It includes all information required to be disclosed in the SFCR, either through a specific reference to the Annual Report or as supplemental information.

As required by the Delegated Regulation (EU) 2015/35/Annex XX 'Structure of the Solvency and Financial Condition Report and Regular Supervisory Report', this SFCR follows the required standard chapter layout. The subjects addressed are based on

- Directive 2009/138/EC/and (amended) Directive 2014/51/EU section 3 – Public Disclosures (articles 51-56);
- Delegated Regulation (EU) 2015/35 and (amended) Delegated Regulation (EU) 2016/467 and 2019/981 chapter XII Public Disclosures - section 1 'Solvency and financial condition report: structure and contents' (articles 290-298);
- Guidelines on reporting and public disclosure' (EIOPA-BoS-15/109) as issued by the European Insurance and Occupational Pensions Authority ('EIOPA').

NN Schade is required to submit the so-called Quantitative Reporting Templates ('QRTs') to its supervisor Dutch Central Bank ('DNB'). A subset of these QRTs, which are required to be publicly disclosed and which provide quantitative information in accordance with Solvency II as at 31 December 2025, are included in the appendix to this SFCR.

The amounts disclosed in this SFCR are, consistent with the amounts in the Annual Report, in thousands of euros unless stated otherwise.

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 Schade. It also provides insight into the underwriting and investment performance of NN Schade. 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 Schade'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').

General developments 2025

A - Business and performance

In 2024, NN Schade announced the partnership with the German insurance specialist Domcura GmbH (Domcura) in Kiel. Alongside this strategic alliance, NN Schade established a office in Germany in the fourth quarter of 2025.

In the past NN Schade outsourced the claims handling of its private property insurance, sold through intermediaries, to NNVS. In 2025, NN announced the insourcing of these activities as of July 1, 2026, as this is more in line with our current strategy.

B - System of Governance

The governance manual was updated to reflect the establishment of the German office as mentioned in section A. The German office will be legally represented by the Business Line director of Schade Intermediar as part of a centrally coordinated go-to-market approach in Germany. The activities performed for the German office are primarily delivered by Schade Intermediar and various NN Staff departments.

C – Risk profile

In addition, the Belgian Branch is now incorporated into the NN Schade PIM framework through dedicated PIM modules, enabling a branch-specific and risk-sensitive calibration of capital requirements. In 2025, DNB approved the integration of the Belgian Branch into the Partial Internal Model, allowing its SCR contribution to be determined fully within the PIM structure.

The Standard Formula approach has been applied for the German portfolio. To determine the comprehensive solvency capital for NN Schade, Integration Technique 3 has been employed to aggregate the PIM SCR (Dutch and Belgium branch business) with the SF SCR of the German portfolio.



D – Valuation for solvency purposes

Both for IFRS as well as Solvency II purposes, no significant changes were made to the recognition and valuation bases nor on estimations of the other liabilities during the reporting period.

E – Capital management

Significant events of 2025:

- In March 2025 NN Schade paid EUR 72 million dividend.
- In June 2025 an improved Future Management Action (FMA) in the Individual Morbidity risk model was implemented with impact in both OF and SCR.
- In June 2025 NN Schade paid EUR 50 million dividend.
- In September 2025 NN Schade paid EUR 111 million dividend.
- In December 2025 NN Schade repaid the matured EUR 80 million subordinated loan. At the same time a new subordinated loan of EUR 80 million was issued with a fixed coupon of 5.24% and a maturity date of 29 December 2045. The repaid and newly issued loan both qualify as Tier 2 Own Funds.
- In December 2025 a model change concerning the loss absorption capacity of future profits was implemented and incorporated in SCR at year-end 2025. Additionally, the Belgian portfolio was integrated into the partial internal model at year-end 2025.
- In December 2025 NN Schade paid EUR 80 million dividend.

Regarding capital management there are no major changes. The development of the Solvency II ratio is explained below.

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 funds 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 thousand	2025	2024
Tier 1 (restricted and unrestricted)	1,718,425	1,668,576
Tier 2	149,546	148,765
Tier 3	987	4,424
Total Eligible Own Funds	1,868,958	1,821,765

Eligible Own Funds increased by EUR 47 million from EUR 1,822 million at 31 December 2024 to EUR 1,869 million at 31 December 2025 mainly due to OCG and economic impacts, partly offset by dividend upstream and model and assumption changes.

Solvency Capital Requirement

In EUR thousand	2025	2024
Market Risk	494,154	467,784
Counterparty Default Risk	10,630	13,198
Non-Market Risk	1,772,629	1,706,370
Total BSCR (before diversification)	2,277,413	2,187,352
Diversification	-473,523	-427,321
Total BSCR (after diversification)	1,803,890	1,760,031
Operational Risk	125,463	119,723
Loss-Absorbing Capacity of Future Profits (LAC FP)	-137,846	
Loss-Absorbing Capacity of Deferred Taxes (LAC DT)	-416,266	-446,229
Total SCR	1,375,241	1,433,525

Market risks rose in 2025, which were primarily driven by movements in the credit spread SCR. This was partially offset by higher diversification benefits. Non-market risks increased as a result of model changes, partly offset by increased assumption changes. Operational risks also saw an uptick due to premium indexations.

The loss-absorbing capacity of future profits (LAC FP) refers to the loss absorbing capacity of future profits from renewals and new business to be written in the next 12 months. Since the underlying non-market risk models only cover the unexpected losses of renewals and new business, the LAC FP adjusts for the expected profit/loss of renewals and new business, thereby reducing the SCR. DNB approved the application of LAC FP in 2025. The application of LAC FP results in a lower SCR in 2025 compared to 2024, when this reduction was not applied.

The loss-absorbing capacity of deferred taxes (LAC DT) decreased in 2025 mainly due to the application of LAC FP, and the growth in Belgium and German portfolios.



NN Schade's Solvency II ratio

The following table presents the Solvency II ratio of NN Schade at year-end:

Solvency II ratio

In EUR thousand	2025	2024
Eligible Own Funds (EOF)	1,868,958	1,821,765
Minimum Capital Requirement (MCR) ¹	609,816	587,521
Solvency Capital Requirement (SCR)	1,375,241	1,433,525
Surplus	493,717	388,240
Ratio (%) (EOF/SCR)	136%	127%

¹ For more details on the amount of the MCR and the eligible amount of basic own funds to cover the MCR, classified by the tiers, reference is made to QRT S.23.01.01 'Own Funds' in the Appendix.

The Solvency II ratio of NN Schade increased to 136% from 127% due to increase in Eligible Own Funds and decrease in the SCR.



A Business and performance Introduction

This chapter of the SFCR contains general information on NN Schade, a simplified organisational structure and NN Schade’s financial performance over 2025.

A.1 Business General

Reference is made to the section 'NN Group profile and NN profile' in the 2025 Annual Report of NN Schade for the legal form of NN Schade and NN Schade’s position within the legal structure of NN Group.

The supervisory authority responsible for financial supervision of NN Schade:

Dutch Central Bank
Frederiksplein 61
1017 XL Amsterdam
The Netherlands

The contact details of NN Schade’s external auditor are:

KPMG Accountants N.V.
Mr. A.R.B. de Bruin
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

Information on the appointment of the external auditor is included in the section ‘Corporate governance- External auditor’ in the 2025 Annual Report of NN Schade.

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

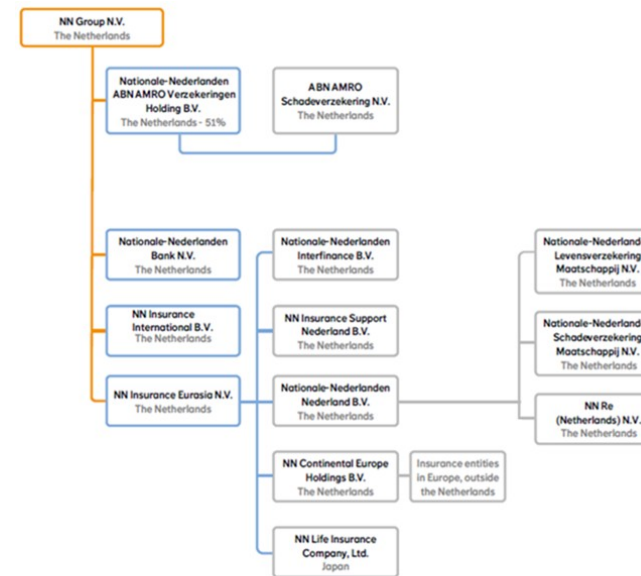
As at 31 December 2025, there were no holders of qualifying holdings in NN Group.

Material lines of business and related undertakings

Reference is made to section 'NN Group profile and NN profile' and section 'Our strategy' in the 2025 Annual Report of NN Schade for more information on the material lines of business of NN Schade. For information on any significant business events or other events that have occurred over the reporting period reference is made to the section 'Progress on our commitments – Financial strength' in the 2025 Annual Report of NN Schade. Reference is made to the section 'Corporate governance' in the 2025 Annual Report of NN Schade for information on the governance and organisational structure of NN Schade.

Simplified group structure

The simplified group structure as at 31 December 2025 is as follows:





A.2 Underwriting Performance (see A.3 below)

A.3 Investment Performance

For information on underwriting and investment performance, reference is made to the section '[Progress on our commitments](#)' in the 2025 Annual Report of NN Schade. For the underwriting performance, reference is made to QRT S.05.01.02 'Premiums, claims and expenses by line of business' in the Appendix.

Further reference is made to [Note 17 Investment result](#) in the 2025 Annual Report of NN Schade for information on income arising from investments by asset class and the components of such income.

Gains and losses on investments recognised directly in equity are disclosed in [Note 9 Equity - Changes in accumulated revaluations investments](#) and in the [Statement of comprehensive income](#) in the 2025 Annual Report of NN Schade.

A.4 Performance of other activities

NN Schade has no other activities.

A.5 Any other information

Reference is made to the section '[Progress on our commitments](#)' in the 2025 Annual Report of NN Schade for any other material information regarding the business and performance of NN Schade.



B System of governance

Introduction

This chapter of the SFCR contains information on the system of governance of NN Schade in addition to governance information included in the NN Group 2025 Annual Report and 2025 Annual Report of NN Schade as disclosed on NN Group's website. The additional information includes relevant committees within the Management Board, a description of the main roles and responsibilities of the Key Functions and NN Schade's approach to the 'fit and proper' requirements and Own Risk and Solvency Assessment.

B.1 General information on the system of governance

This chapter describes the structure of the committees, and explains the responsibilities, members and interdependencies of each committee. This chapter sets out the governance and control framework effective in 2025.

Structure of governance and changes in system of governance

For a description of the structure of NN Schade's administrative and management body, reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade. This source also describes the main roles and responsibilities of these bodies, provides a brief description of the segregation of responsibilities within these bodies and describes their relevant committees.

Supervisory Board

The Supervisory Board is responsible for supervising the Management Board and the general course of affairs of NN Schade and its business, and providing advice to the Management Board.

Management Board Committees

The Management Board is responsible for ensuring that NN Schade has adequate internal risk management and control systems in place so that it is aware, in good time, of any material risks the company faces and that these risks can be managed properly. The Management Board retains responsibility for NN Schade's risk management, the day-to-day management and the overall strategic direction of the company, including the management of the structure, operation and effectiveness of NN Schade's internal risk-management, governance and control systems. Within the Management Board a Chief Risk Officer (the CRO) has been designated and is entrusted with the day-to-day execution of these tasks. The CRO of NN Schade reports functionally to the CRO of NN Group.

While the Management Board retains responsibility for the risk management of NN Schade, it has delegated certain other responsibilities to committees. The Management Board committees are the Risk Board, the Model Committee, and the Assets & Liabilities Committee. Subcommittees of these Management Board committees are in place to cover specific areas of business or topics.

Roles and responsibilities of Key Functions

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

CRO

The NN Schade CRO is a member of the NN Schade Management Board and reports hierarchically to the CEO and functionally to the NN Group CRO. The NN Schade CRO steers an independent risk organisation which supports the first line in their decision-making, with sufficient countervailing power to prevent excessive risk taking. The NN Schade CRO must ensure that both the Management Board and the Supervisory Board are at all times informed of and understand the material risks to which NN Schade is exposed.

Risk Management function

The Risk Management Function is a Solvency II Key Function within NN Schade. The CRO is the Solvency II Key Function Holder for the Risk Management Function. Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for a description of the Risk Management function.

Compliance function

The Compliance Function is a Solvency II Key Function within NN Schade. The Head of Compliance is the Solvency II Key Function Holder for the Compliance Function and reports to the Director of Legal & Compliance. Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for a description of the Compliance function.

Actuarial function

The Actuarial Function is a Solvency II Key Function within NN Schade. The Actuarial Function Holder is the Solvency II Key Function Holder for the Actuarial Function and reports to the NN Schade CRO. Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for a description of the Actuarial Function.



Internal Audit function

The Internal Audit Function is a Solvency II Key Function within NN Schade. NN Schade has outsourced internal audit to CAS, the internal audit department within NN Group. Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for a description of the Internal Audit Function.

Remuneration

Remuneration is performed in line with the remuneration policies defined by NN Group. Reference is made to [Note 33 Key management personnel compensation](#) as disclosed in the 2025 Annual Report of NN Schade for information on the remuneration policy and practices regarding administrative, management and supervisory bodies and employees. Other information on remuneration is disclosed on NN Group's website: NN Group - Remuneration (nn-group.com).

Transactions with related parties

Reference is made to [Note 32 Related parties](#) and [Note 33 Key management personnel compensation](#) in the 2025 Annual Report of NN Schade 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 Schade and with members of the Management Board and Supervisory Board are disclosed in [Note 33 Key management personnel compensation](#) in the 2025 Annual Report of NN Schade.

Adequacy of system of governance

An integral System of Governance review is performed every three years, with follow up on a yearly basis. The NN Schade Management Board concludes that the NN Schade's System of Governance is adequate and effective, supports its strategic objectives and operations and provides for sound and prudent management of the company. The latest System of Governance Review activities, which included a follow-up review of improvement measures, were concluded and discussed in the Risk Board of February 2026.

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

Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for a description of how the risk management and internal control systems and reporting procedures are implemented consistently throughout the organisation.

Own Risk and Solvency Assessment (ORSA) at group and entity level

NN Group did not make use of the option provided for in the third subparagraph of Article 246(4) of Directive 2009/138/EC to conduct the Own Risk and Solvency Assessments at the level of the group and at the level of any subsidiary in the group simultaneously. NN Schade conducts their Own Risk and Solvency Assessments at the level of NN Schade as a whole.

B.2 Fit and proper requirements

A description of NN Schade's specific requirements concerning skills, knowledge and expertise applicable to the persons who manage NN Schade, is included in the Management Board Regulations of NN Schade. Requirements concerning skills, knowledge and expertise applicable to Key Functions, are included in the respective job profiles.

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

All people holding key functions are assessed against their performance objectives, leadership behaviors 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 Schade's risk management system

Reference is made to '[Managing our Risks](#)' in the 2025 Annual Report of NN Schade for:

- a description of the risk management system, which comprises of strategies, processes and reporting procedures;
- how NN Schade is able to effectively identify, assess, monitor, manage and report, on a continuous basis; and
- the risks to which NN Schade is or could be exposed on an individual and aggregated level.

Also, in '[Managing our Risks](#)', a description is included on how the risk management system including the risk management function are implemented and integrated into the organisational structure and decision-making processes of NN Schade.

Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (ORSA) aligns business strategy and objectives, key risk appetite statements, risk and capital management with the annual business plan process. The ORSA report helps the Management Board assess the overall risk and capital profile of the business under various scenarios. It is a process to identify, assess, monitor, manage and report risks faced by an insurance entity and determine own funds necessary to ensure overall solvency needs are met. The ORSA is a high-level analysis of capital adequacy based on the current and emerging risk profile of an entity, given its strategy and risk appetite. It does not serve to calculate the capital requirement, but capital add-ons can be considered as a result of the ORSA. It is an integral part of business planning.

Regular frequency

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

- articulates its strategy and risk appetite;
- describes its key risks and how they are managed;
- analyses whether or not its risks and capital are appropriately modelled; and
- evaluates how susceptible the capital position is to shocks through stress testing and scenario analysis, including a multiyear view.

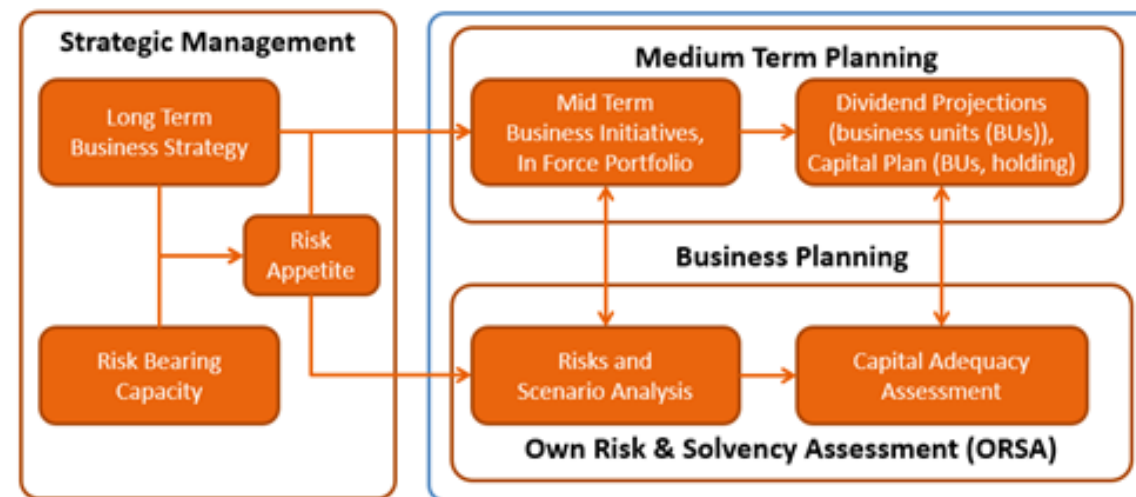
Stress testing examines the effect of exceptional but plausible scenarios on the capital position of NN Schade. Stress testing can also be initiated outside the ORSA, either internally or by external parties such as De Nederlandsche Bank (DNB) and the European Insurance and Occupational Pensions Authority ('EIOPA'). The ORSA includes a forward looking overall assessment of the solvency position of NN Schade considering the risks it holds.

Monitoring between regular ORSAs: possible ad-hoc ORSA

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

The regular ORSA process as undertaken within NN Schade

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



Strategy and risk appetite

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

Risk Assessment

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

Appropriateness test of regulatory capital calculation

The assumptions and models for calculating regulatory solvency requirements are assessed against the actual risk profile. Differences are analysed in terms of future model improvements and/or non-modelled risks. The outcome of the analysis may lead to mitigating actions to overcome model shortcomings. If the deviations



or uncertainties are considered material, quantification of the deviation is necessary and can result in changes in the determination of required capital.

Capital projections

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

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

The Risk Function is also involved in the ORSA process, amongst others in assessing the stress testing in relation to the identified key risks and mitigating measures in place.

Regulatory solvency is at the heart of the ORSA: NN Schade must ensure that it is able to meet regulatory required solvency ratios at all times. In addition, NN Schade assesses:

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

Note that in principle only NN Group raises capital in the financial markets.

Stress testing and overall assessment of capital adequacy

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

Scenario testing, as well as (reverse) stress testing are required for each ORSA. When the outcomes of performed stress tests show solvency ratios dropping below 100%, realistic strategies for recovering Solvency ratios will be considered and documented in the ORSA report. One of the management actions is a capital downstream to restore Solvency ratios.

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

Governance of NN Schade's Partial Internal Model Model Validation

NN Schade has outsourced its Model Validation to NN Group. NN Group's Model Validation Function aims to ensure that NN Schade's models are fit for their intended use. For this purpose, the Model Validation Function carries out validations of risk and valuation models in particular those related to Solvency II. Any changes to models that have an impact larger than certain pre-set materiality thresholds require approval from either the Group CRO, Group CFO or the NN Group Management Board.

Model validation performs validation on reliability of models at different stages during their life cycle: at initiation, prior to approval, when the model has been redeveloped or modified, and on a regular basis (based on a planning discussed and agreed with the Model Development departments). The validation process covers a mix of developmental evidence assessment, process verification and outcome analysis.

The validation cycle determines the maximum period between two model validations, which can be up to five years. This means that each model in scope will be independently validated at least once within the validation cycle. Model Validation can also start validating before the due date, for example following specific portfolio/market developments or regulatory changes. Materiality of a model is determined based on quantitative and qualitative criteria. Quantitative criteria relate to, amongst others, a percentage of Market Value of Liabilities/Assets, or Solvency Capital Requirement. Qualitative criteria cover model complexity, strategic importance and other factors. Models with a higher materiality are validated more frequently. Depending on materiality of the model, as well as the severity of findings resulting from a model validation, models receive a Validation Opinion. Management forms an opinion on the identified findings and proposes remedial actions, such as further adjustments of the model.

B.4 The Internal control system and Compliance Function

Reference is made to '[Managing our Risks](#)' of the Annual Report of NN Schade, section 'Risk Governance' which describes the activities of the Compliance Function

B.5 Internal Audit Function

Reference is made to '[Managing our Risks](#)' of the Annual Report of NN Schade for a description of the implementation of the Internal Audit Function.



B.6 Actuarial Function

Reference is made to '[Managing our Risks](#)' of the Annual Report of NN Schade for a description of the implementation of the Actuarial Function.

B.7 Outsourcing

External Outsourcing arrangements

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

External outsourcing arrangements at NN Schade follow the NN Outsourcing Policy, which includes clear definitions of the outsourced processes, services, and activities, as well as a service level agreement (SLA), financial obligations, start/end dates, and termination clauses. The policy requires adherence to applicable laws, regulations, and guidelines, and includes clauses for performance and assurance reporting, subcontracting conditions, the right to audit, and supplier assurance on internal control systems. The policy also requires adherence to NN's information security, business continuity management, and data quality requirements, and includes clauses on data exchange, activities in case of an exit, contract governance, mandatory insurance against certain risks, and referring to the national resolution authority's powers and obligations.

Intra-group Outsourcing arrangements (IOA)

In the normal course of business, NN Schade entity enters into various transactions with entities within the Group. Transactions with entities within NN Group take place on an arm's length basis and represent distribution agreements, human resources-related arrangements and rendering and receiving of services.

Intra-group outsourcing arrangements include:

- Facility services carried out by group companies for insurance and other entities including NN Schade
- Staff of the insurance entities within NN in the Netherlands is employed by NN Personeel B.V.
- Transactions between NN and its Dutch subsidiaries concerning the payment of tax, as NN Group N.V. heads the fiscal unity in the Netherlands
- HeinenoordZicht Group B.V. and NN Bank act as mandated brokers for NN Non-life
- Transactions in investments (other than mortgage loans) are conducted via external asset managers
- HCS Groep B.V. executes human capital services for group companies
- Various other shared services, including finance and information technology.

NN Schade ensures that NN intra-group outsourcing is managed according to agreed service levels and within its risk appetite and ensures amongst others to

- Sign an agreement for NN intra-group outsourcing, between NN Schade and the NN service provider, which covers all aspects needed to manage the NN intra-group outsourcing and which clearly defines the respective rights and obligations of NN Schade and the NN service provider
- Ensure that financial conditions for the outsourced services are set at arm's length and are conducted under market-consistent conditions.

B.8 Any other information

The governance manual was updated to reflect the establishment of the German Branch Office as mentioned in section A. The German branch office will be legally represented by the Business Line director of Schade Intermediair as part of a centrally coordinated go-to-market approach in Germany. The activities performed for the German Branch are primarily delivered by Schade Intermediair and various NN Staff departments.

Reference is made to the section '[Corporate Governance](#)' in the 2025 Annual Report of NN Schade 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 Schade and NN Group.



C Risk profile

Introduction

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

Risk profile per risk category

Reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade for quantitative and qualitative information on the risk profile per risk category.

C.1 Non-market risk (Underwriting risk)

In the 2025 Annual Report of NN Schade, non-market risk is disclosed in [Note 35 Risk management](#). The note specifically identifies insurance risk and business risk as the two components of non-market risk.

C.2 Market risk

Market risk is disclosed in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

C.3 Counterparty risk (Credit risk)

Counterparty Default risk is disclosed in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

C.4 Liquidity risk

Liquidity risk is disclosed in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

C.5 Operational risk

Operational risk is disclosed in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

C.6 Other material risks

Strategic risks and Emerging Risk

Strategic risks are risks related to shaping NN Schade's (future) business, arising from the external environment and/or from being unable to adapt effectively to changes in NN Schade's operating environment.

External strategic risks are emerging or changing risks in NN Schade's external environment that may not yet be fully assessed, or quantified ('uncertainties') but that could, in the future affect the viability of NN Schade's strategy. Internal strategic risks are risks, arising in shaping NN Schade's business, related to making incorrect business decisions, implementing decisions poorly, or being unable to adapt effectively

to changes in NN Schade's operating environment. Reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade, section '[Managing our Risks](#)' for any other information on any other material risks.

Business conduct risk

Business conduct risk is the risks related to unethical or irresponsible corporate behavior, inappropriate employee behavior and product suitability. For more details reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

The most important developments of 2025 are:

- Business operating, technology and continuity risks
 - Further embedding and monitoring of (intragroup) outsourcing as well as organisational resilience for business disruption, including DORA requirements.
 - Standardizing and integrating our data landscape, to simplify systems and have better data for monitoring of risk metrics, data driven analytics and AI usage.
 - Building and enhancing our capabilities to address the increasing complexity and sophistication of cyber-attacks, including in outsourced processes with business partners.
 - Making NN Schade's organisation, employees and processes future ready for further development, deployment and use of artificial intelligence, including applying and updating NN Schade's AI framework, as well as establishing more rigid data quality management.
- Sound business conduct, people conduct and product suitability risks'
 - Strengthening of the FEC framework and Governance.
 - Review of product policy and implementation of a standard tooling facilitating the PARP.
 - Improved automated enrolment and dashboard monitoring for mandatory Conduct related e-learning.

Concentration risks

NN Schade manages concentration risk in the assets and liabilities through diversification in portfolios, concentration and exposure limits and through reinsurance/hedging. More information on the mitigation of several types of concentration risk is included in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

Investing assets in accordance with the 'Prudent person principle' Acceptable investments

NN Schade 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



subsidiaries of NN Group 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 considerations on return, risk, tax, Environmental, Social and Governance (ESG) matters and operational consequences that are relevant to the decision whether NN Schade 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 investment class. The NACA should nevertheless address the quantitative impact of potential future investments and include proposed portfolio limits for the product. This should always be in line with NN Group internal policies as well as external constraints (such as regulatory limits).

Governance of investments

Within the three lines-of-defense model, investments are managed in the first line in close cooperation with NN Investment Office, reporting directly to the CFO of NN Schade. The second line function is performed by Financial Risk Management (FRM), which reports to the CRO of NN Schade. All stakeholders regularly meet in the Asset and Liability Committee (ALCO) for discussing the most material issues. The ALCO is involved in (but not limited to) oversight of market and investment risk taking, the definition of an investment strategy applicable to certain mandates and/or local financial markets, discussing quarterly figures and insights in interventions before end of quarter and capital position, risk metrics and balance sheet. Operational activities regarding investments are performed by NN Investment Office, which also provides advice on proposed or current investments.

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 of NN Group

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

- Propose on Investment Strategy for NN Group and the business units;
- 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; and
- Prepare Performance Measurement Guidelines of all investment decisions taken under the delegated approval authorities.

Solvency II sensitivity analysis

Reference is made to [Note 48 Risk Management](#) in the 2025 Annual Report of NN Group for a description of the methods used and the assumptions made.

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

Reference is made to [Note 30 Contingent liabilities and commitments](#) and to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade regarding the risk exposure of NN Schade, including the exposure arising from off-balance sheet positions and describing the measures used to assess these risks, when applicable

As at 31 December 2025, no material risks were transferred to special purpose vehicles outside NN Schade.

C.7 Any other information relevant to the risk profile of NN Schade Techniques used for mitigation of risks

Reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade for a description of the techniques used for mitigating risks and the processes for monitoring the continued effectiveness of these risk mitigation techniques.

Foreign portfolios on Standard Formula, consolidation using Integration Technique 3

NN Schade has expanded its activities in Germany following the earlier partnership with the German insurance company Domcura A.G. Domcura specializes in providing property, liability, and life insurance, with a strong focus on digital solutions and online platforms. Through this partnership, NN Schade offers dwelling insurance



via Domcura's mandated brokers. In the past year, NN Schade has further strengthened its position in the German market by realizing additional growth and establishing collaborations with other distribution partners.

The Standard Formula approach has been applied for the German portfolio. To determine the comprehensive solvency capital for NN Schade, Integration Technique 3 has been employed to aggregate the PIM SCR (Dutch business) with the SF SCR of the German portfolio.

PIM Integration Belgian Branch

In addition, the Belgian Branch is now incorporated into the NN Schade PIM framework through dedicated PIM modules, enabling a branch-specific and risk-sensitive calibration of capital requirements. In 2025, DNB approved the integration of the Belgian Branch into the Partial Internal Model, allowing its SCR contribution to be determined fully within the PIM structure.



D Valuation for Solvency purposes Introduction

This chapter contains information on the valuation for solvency purposes of assets, insurance liabilities and other liabilities of NN Schade and explains the differences with the valuations in the NN Schade 2025 Annual accounts.

Reconciliation IFRS balance sheet to Solvency II balance sheet

As at 31 December 2025. In EUR thousand	IFRS	Presentation differences	Valuation differences	Solvency II
Assets				
Cash and cash equivalents	11,479			11,479
Investments at fair value through OCI and at fair value through profit or loss	7,737,677	52,673	-111	7,790,239
Investments in subsidiaries and associates	44,744		1,635	46,379
Derivatives	19,158	-3,717		15,441
Investments	7,813,058	48,956	1,524	7,863,538
Reinsurance contracts	107,438	94,639	-65,181	136,896
Reinsurance contracts	107,438	94,639	-65,181	136,896
Property and equipment	6,562			6,562
Intangible assets	8,694		-8,694	0
Deferred tax assets	1,535		-548	987
Other assets	419,576	55,116	-68,919	405,773
Other	436,367	55,116	-78,161	413,322
Total assets	8,356,863	198,711	-141,818	8,413,756
Equity				
Shareholder's equity	1,468,834		122,912	1,591,746
Undated subordinated notes	130,000	-130,000		0
Total equity/ Excess of assets over liabilities	1,598,834	-130,000	122,912	1,591,746

As at 31 December 2025. In EUR thousand	IFRS	Presentation differences	Valuation differences	Solvency II
Liabilities				
Insurance contracts	6,432,420	-165,748	-308,086	5,958,586
Reinsurance contracts	5,706	-5,706		0
Insurance and reinsurance contracts	6,438,126	-171,454	-308,086	5,958,586
Subordinated debt	150,000	130,149	-2,788	277,361
Funding	150,000	130,149	-2,788	277,361
Derivatives	25,676	54		25,730
Deferred tax liabilities	70,543		41,637	112,180
Other liabilities	73,684	369,943	4,526	448,153
Other	169,903	369,997	46,163	586,063
Total liabilities	6,758,029	328,692	-264,711	6,822,010
Total equity and liabilities	8,356,863	198,692	-141,799	8,413,756

Reference is made to the 2025 Annual Report of NN Schade 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 35 Risk management](#) in the 2025 Annual Report of NN Schade due to classification and valuation differences to reflect a risk management view.

The valuation and presentation differences between IFRS and Solvency II resulting from differences in accounting principles and methods are explained in the sections below. For items where no valuation difference occurred, reference is made to [Note 22 Fair value of financial assets and liabilities](#) and [Note 23 Fair value of non-financial assets](#) in the 2025 Annual Report of NN Schade for a description of the bases, methods and main assumptions used for their valuation.

Details of valuation and presentation 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'). For main assumptions used in fair valuing assets, reference is made to [Note 22 Fair value of financial assets and liabilities](#) and to [Note 23 Fair value of non-financial assets](#) in the 2025 Annual Report of NN Schade.

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 valuation differences between IFRS and Solvency II for cash and cash equivalents as the market value is not different from the notional value.

Investments at fair value through OCI and P&L

In the IFRS balance sheet, investments are reported at fair value through other comprehensive income (OCI) and fair value through profit or loss (P&L). In the Solvency II balance sheet, investments are reported at market value. There are no significant valuation differences between IFRS and Solvency II for investments at fair value as fair value generally equals market value (EUR -111 thousand for investments at fair value through OCI and nil for investments at fair value through P&L). Presentation differences as at 31 December 2025 (EUR 52,670 thousand for investments at fair value through OCI and EUR 3 thousand for investments at fair value through P&L) 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 2025 Annual accounts of NN Schade ('clean market value').

Investments in subsidiaries and associates

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

Valuation differences of EUR 1,635 thousand as at 31 December 2025 represents the difference between the value of the consolidated line items under IFRS and the local regulatory capital of these entities. 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

There are no valuation differences between IFRS and Solvency II for derivatives at fair value as fair value generally equals market value. The presentation differences for derivatives amounted to EUR -3,717 thousand as at 31 December 2025, related to the presentation of accrued interest.

Reinsurance contracts

Valuation differences of EUR -65,181 thousand as at 31 December 2025 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 Schade taking into account the specific characteristics of NN Schade's portfolios.
- In Solvency II the risk margin is presented net of reinsurance as a liability, whereas under IFRS 17 there is a separate risk adjustment for reinsurance.
- There are differences in the best estimate of future cash flows, for example, caused by different expense attribution in Solvency II and IFRS 17.

The presentation difference amounted to EUR 94,639 thousand as at 31 December 2025 consists of reinsurance related receivables presented under Other assets in Solvency II.

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 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 valuation differences between IFRS and Solvency II for equipment, as market value is generally not different from depreciated cost.

Intangible assets

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



Deferred tax assets

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS. However, due to the differences in valuation of assets and liabilities as set out in sections [D.1 'Assets'](#), [D.2 'Technical Provisions'](#) and [D.3 'Other liabilities'](#) EUR 548 thousand lower deferred tax assets are recognised in the Solvency II balance sheet as at 31 December 2025.

Other assets

In the IFRS balance sheet, other assets are reported at their notional amounts. In the Solvency II balance sheet, other assets are reported at market value.

Presentation differences of EUR 55,116 thousand as at 31 December 2025 consist of the different presentation of accrued interest, deposits to cedants and (re)insurance related receivables. 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 2025 annual accounts of NN Schade ('clean market value').

Differences in valuation of other assets amounted to EUR -68,919 thousand as at 31 December 2025 due to IFRS Acquisition Cost to be attributed and Prepaid Acquisition Expenses, which are not recognised under Solvency II.

Changes in valuation bases

During 2025, no material changes were made to the recognition and valuation bases, or estimations used, in the measurement of assets on the Solvency II balance sheet.

D.2 Technical provisions (Insurance contracts)

Value of the technical provisions

The value of technical provisions, including the amount of the best estimate of liabilities (BEL) and the risk margin (RM) is disclosed below separately for each material line of business as at 31 December 2025:

Value of technical provisions by Solvency II Business Line

As at 31 December 2025. In EUR thousand	Best Estimate Liabilities	Risk margin	Technical provisions
Technical provision per line of Business:			
1. Non-Life	2,147,140	68,565	2,215,705
2. Health similar to Non-Life	308,470	8,687	317,157
3. Health similar to Life	3,033,912	391,812	3,425,724
Total	5,489,522	469,064	5,958,586

Bases, methods and main assumptions used for solvency valuation

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

Best estimate of liabilities

NN Schade 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 currency specific Credit Risk Adjustments (CRA) and country specific Volatility Adjustment (VOLA). This is the full-cash flow approach and is typical for traditional business. Cash flows are projected on a combination of per policy basis and portfolio level.

Cash flows are projected deterministically since NN Schade does not have material embedded options or guarantees except the modelling of inflation for the Movir portfolio, where a Time Value of Options and Guarantees (TVOG) exists.

The cash flow projections used in the calculation of the BEL are based on the best estimate assumptions. The cash flow projection reflects the expected realistic future demographic, legal, medical, technological, social, environmental and economic developments that will have a material impact on the BEL.

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 Actuarial Function Report prepared by the local Actuarial Function Holder (AFH).

NN Schade reports a relatively small portion of unmodelled Technical Provisions. For unmodelled business, Technical Provisions are estimated either by scaling of modelled business. Where these approaches are taken, the AFH has provided an opinion that the approaches are acceptable given the materiality of the Technical Provisions.

Reinsurance and other recoverables

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

Risk margin

In addition to the BEL a RM is held to allow for non-hedgeable market and non-market risks. The calculation of the RM is performed by using a driver approach. Long-Term Guarantee (LTG) measures are excluded from the discounting, when calculating the RM.

With the driver approach, the relevant sub-risk SCRs are projected using appropriate risk drivers, multiplied by the cost of capital of 6%, then discounted at the relevant risk free rate term structure. The sub-risk margins are aggregated using the relevant diversification factors for each future time period. These factors are calculated based on a Variance-Co-variance method together with a flat factor to take into account the copula diversification. The risk margin is presented net of reinsurance.

Assumptions

Non-financial assumptions

Best estimate assumptions are set for expenses, mortality, morbidity and other relevant insurance risks using historical experience of the insurance portfolio. Assumptions are reviewed by NN Schade at least annually and submitted to the Model Committee (MoC) for approval, following NN Schade's model governance.

Policyholder behaviour regarding lapses, are taken into account subject to the boundaries of the contracts.

Boundaries of insurance contracts for all Group Income and P&C products are set equal to the contract term. The boundaries of insurance contracts for all Individual Disability products are set to end-age.

Financial assumptions

NN Schade follows EIOPA requirements in determining the basic risk-free rates and the VOLA to determine the relevant currency specific risk free rate term structure for valuation of Technical Provisions. Because EIOPA curves are not available in time for NN Schade to start their valuations, NN Schade follows NN Group using 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 Schade manufactured curves. At year-end 2025, the EIOPA and NN Schade curves were consistent.

Changes in assumptions

During 2025, best estimate assumptions were reviewed and updated where necessary. Assumption changes reflect movements in the financial markets, and recalibration of non-market assumptions.

Options and guarantees

NN Schade does not have material options and guarantees in the insurance liabilities.

Level of Uncertainty

For the level (degree) of uncertainty associated with the value of the technical provisions, reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.

Main differences between IFRS and Solvency II valuation of technical provisions

As at 31 December 2025. In EUR thousand	IFRS	Presentation differences	Valuation differences	Solvency II
Technical provision per line of Business:				
1. Non-Life	2,471,701	-95,251	-160,745	2,215,705
2. Health similar to Non-Life	404,281	-29,277	-57,847	317,157
3. Health similar to Life	3,556,438	-41,220	-89,494	3,425,724
Total	6,432,420	-165,748	-308,086	5,958,586

At 31 December 2025, the valuation differences between the insurance contracts recognised in the IFRS balance sheet and the technical provisions recognised in the Solvency II balance sheet of NN Schade amounted to EUR -308,086 thousand.



At 31 December 2025, the presentation differences between the insurance contracts recognised in the IFRS balance sheet and the technical provisions recognised in the Solvency II balance sheet of NN Schade amounted to EUR -165,748 thousand.

IFRS 17 allows certain accounting policy choices and requires judgement in setting certain assumptions that are different from those under Solvency II. The most important differences that are relevant to NN Schade 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 insurance company) are considered directly attributable whereas other expenses (i.e. corporate expenses) are not. Under Solvency II both are considered directly attributable. As less expenses are in scope of IFRS, the insurance liability under IFRS is lower.

Initial expenses/ Acquisition costs

Under Solvency II, initial expenses are absorbed immediately in own funds. In IFRS, for contracts accounted for under the General Model directly attributable acquisition costs are absorbed in the insurance liability and amortised in the profit and loss account over time. For contracts measured under the Premium Allocation Approach with a coverage period of less than one year, NN Schade elected to expense the acquisition costs immediately in the profit and loss account. So for those contracts no difference between Solvency II and IFRS 17 is present.

Difference in discount rates

In Solvency II the discount rate is prescribed by the prudential regulator. It converges to an ultimate forward rate (UFR) of 3.30% as at 31 December 2025 (31 December 2024 3.30%) after the last liquid point of 20 years.

Under IFRS, NN Schade determines the discount rate by taking into account the specific characteristics of NN Schade'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 is determined using an approach that reflects the characteristics of the NN Schade'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 2025 the LTFR was 3.20% (31 December 2024: 3.20%).

As at 31 December 2025 (and 2024), the difference in discount rates resulted in a higher discount rate under IFRS 17 and thus a lower insurance liability.

Difference in risk adjustment / risk margin

The risk adjustment for non-financial risk in IFRS is determined using the cost of capital methodology based on the Solvency II internal model. The cost of capital methodology is similar to Solvency II, however, under IFRS, the risk adjustment reflects diversification among non-market risks and with market risks which is not the case under Solvency II. The cost of capital rate under IFRS represents NN Schade's view on the compensation required for bearing non-financial risk; the cost of capital rate used in the fulfilment value of insurance liabilities is 4%, whilst it is a prescribed 6% under Solvency II. Other differences are that operational risk is not included in IFRS and that the risk adjustment is presented in IFRS gross and in Solvency II net of reinsurance. The differences resulted in a lower risk adjustment and thus a lower insurance liability 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.

PAA approach

NN Schade uses the Premium Allocation Approach for a portion of its portfolio, which leads to some difference between IFRS 17 liability for remaining coverage and Solvency II Premium reserve. In Solvency II any expected profit is recognised immediately in Own Funds.

Payables and receivables

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



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

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 mandate 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 Schade, the Volatility adjustment (VOLA) is of significant relevance given its 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 Schade.

Volatility adjustment

NN Schade applies the yield curve as published by EIOPA for the calculation of the technical provisions under Solvency II. In line with Solvency II regulations, this yield curve includes a Volatility adjustment component. As at 31 December 2025, the level of the VOLA for the Euro currency was 14 bps (31 December 2024: 23 bps). The application of the VOLA resulted in a reduction of EUR 55,293 thousand in technical provisions, contributing EUR 41,030 thousand (after tax) to Basic own funds and Eligible Own Funds as at 31 December 2025.

In the calculation of the SCR, NN Schade assumes no change to the VOLA after a shock-event, but reflects the illiquidity of liabilities in the asset shocks to ensure appropriate solvency capital requirements. This VOLA approach is approved by DNB, in particular to ensure appropriate risk incentives on asset allocation decisions.

NN Schade also shocks all government bonds and its mortgage portfolio in the calculation of spread risk capital requirements.

If the VOLA would be excluded from the SCR calculation, the spread risk on government bonds and mortgages would, in the opinion of NN Schade, need to be adjusted accordingly. However, for the completion of S.22.01.21 'Impact of long term guarantees and transitional measures' in the Appendix, NN Schade is required to reflect only the impact of excluding the VOLA from Eligible Own Funds and the SCR, without adjusting for the spread risk on government bonds and mortgages.

The impact of removing the VOLA from Own Funds decreased in 2025 compared to 2024.

D.3 Other liabilities Subordinated Debt

In the IFRS balance sheet, subordinated debt is reported at amortised cost. In the Solvency II balance sheet, subordinated debt is reported at market value, excluding an adjustment for the change in NN Schade's own credit risk after initial recognition. In the Solvency II value, the change in the own credit risk is not taken into account. The Solvency II value of subordinated debt is calculated using discounted cash flows based on current interest rates and credit spreads at issue date. Valuation differences between IFRS and Solvency II for Subordinated debt of EUR -2,788 thousand represent the difference between amortised cost and market value, excluding an own credit element.

Presentation differences include the different presentation of accrued interest. Solvency II requires accrued interest to be presented as part of the interest bearing liabilities ('dirty market value') and not separately as other liabilities as in the 2025 Annual Report of NN Schade ('clean market value'). In addition to this presentation difference, the subordinated debt presented as equity under IFRS is presented as liability under Solvency II. Total presentation differences for subordinated debt amounted to EUR 130,149 thousand as at 31 December 2025.

Derivatives

Presentation differences for derivatives amounted to EUR 54 thousand as at 31 December 2025 related to the presentation of accrued interest.

Deferred tax liabilities

In the Solvency II balance sheet, deferred tax assets and liabilities are recognised and valued in conformity with IFRS. However, due to the differences in valuation of assets and liabilities as set out in sections sections



[D.1 'Assets'](#), [D.2 'Technical Provisions'](#) and [D.3 'Other liabilities'](#) EUR 41,637 thousand higher deferred tax liabilities are recognised in the Solvency II balance sheet as at 31 December 2025.

Reference is made to [Note 21 Taxation](#) in the 2025 Annual Report and [Note 30 Contingent liabilities and commitments – Tax liabilities](#) of NN Schade for more information on deferred tax.

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 369,943 thousand as at 31 December 2025. Presentation differences also include the different presentation of accrued interest, deposits from reinsurers and (re)insurance related payables. 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 2025 Annual accounts of NN Schade ('clean market value'). Differences in valuation of other liabilities amounted to EUR 4,526 thousand as at 31 December 2025 (from which 4,500 thousand are contingent liabilities).

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 2025).

Recognition differences for contingent liabilities amounted to EUR 4,500 thousand as at 31 December 2025. There are no measurement differences for contingent liabilities.

For more details on other provisions and contingent liabilities, reference is made to [Note 30 Contingent liabilities and commitments](#) and [Note 31 Legal Proceedings](#) in the 2025 Annual Report of NN Schade.

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 26 Liabilities by maturity](#) in the 2025 Annual Report of NN Schade. Uncertainties surrounding the amount or timing of the outflows of economic benefits is described in the Liquidity Risk paragraph in [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade. 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 2025

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

D.4 Alternative methods for valuation Differences within NN Schade

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



Alternative valuation methods used

Alternative valuation methods are used by NN Schade to determine the fair value of assets and liabilities if quoted market prices in active markets are unavailable. Reference is made to [Note 22 Fair value of financial assets and liabilities](#) and [Note 23 Fair value of non-financial assets](#) in the 2025 Annual Report of NN Schade for more information on the valuation approaches used.

D.5 Any other information

Active markets

Information on the criteria used to assess whether markets are active and the valuation methods used if the markets are inactive are described in [Note 22 Fair value of financial assets and liabilities](#).

Estimation uncertainties

For the major sources of estimation uncertainty, reference is made to [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade.



E Capital management

Introduction

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

E.1 Own funds

The objectives, policies and processes employed by NN Schade 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-absorption mechanism (PLAM) and any other features that are relevant for assessing its quality. The amount of Eligible Own Funds to cover the SCR, classified by tiers.

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

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

NN Schade did not have Ancillary Own Funds during 2025 or as at 31 December 2025.

Impact of long term guarantees and transitional measures

The quantification of the impact of changing the volatility adjustment to zero, the transitional interest rates on NN Schade'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.

Items deducted from Own Funds

Under Solvency II, Own Funds are reduced by 'foreseeable dividends, distributions and charges'. This requirement is different from reporting under IFRS where dividends are deducted from equity (and a corresponding liability is recognised) when they are declared.

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

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

Additional ratios

No additional ratios are disclosed in the Solvency and Financial Condition Report other than the ratios included in [QRT S.23.01.01 '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 36 Capital and liquidity management](#) of the 2025 Annual accounts of NN Schade for an analysis of significant changes in Own Funds.

The principal loss-absorbency mechanism

In September 2024 a new subordinated loan of EUR 130 million was issued with a fixed coupon of 6.66% and a first call date of 27 September 2030. This loan possesses 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 36 Capital and liquidity management](#) in the 2025 Annual Report of NN Schade for details on this loan.

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



The reconciliation reserve is included in [QRT S.23.01.01 'Own funds'](#) in the Appendix to this report. As at 31 December 2025 NN Schade has foreseeable dividends, distributions and charges due to the interest on the subordinated debt.

Reconciliation IFRS equity to Own Funds

Reconciliation IFRS equity to Solvency II Basic Own Funds

In EUR thousand	2025	2024
IFRS Shareholder's Equity	1,468,834	1,530,176
Elimination of deferred acquisition costs and other intangible assets	-77,613	-72,915
Valuation differences on assets	-63,658	-46,173
Valuation differences on subordinated loan, liabilities and insurance and investment contracts	306,362	137,478
Deferred tax effect on valuation differences	-42,179	-4,468
Excess of assets over liabilities	1,591,746	1,544,098
Undated subordinated loan	127,816	129,063
Subordinated debt	149,546	148,765
Foreseeable dividends and distributions	-150	-161
Basic Own Funds	1,868,958	1,821,765

The differences between IFRS Shareholders' Equity in NN Schade's 2025 Annual accounts and Solvency II Basic Own Funds of NN Schade as at 31 December 2025 are mainly caused by:

Valuation differences:

- Intangible assets are not recognised under Solvency II
- Deferred acquisition costs are not recognised under Solvency II as separate balance sheet item
- Reinsurance contracts are measured differently
- Insurance and investment contract liabilities are measured differently
- The other adjustments mainly consist of the change in net Deferred Tax Assets or Deferred Tax Liabilities caused by using different valuations for some Solvency II balance sheet items whilst the tax base of these items remained the same.

Reference is made to [Chapter 'D Valuation for Solvency purposes'](#) for more information on the valuation and consolidation differences between IFRS and Solvency II.

Eligibility of Own Funds

NN Schade does not have restrictions affecting eligibility, transferability and fungibility of Own Funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement SCR

NN Schade uses the Partial Internal Model (PIM) to calculate capital requirements under Solvency II.

Main changes to the Partial Internal Model

To ensure that the local internal models consistently represent NN Schade's unique risk profile, they are regularly updated to adapt to the ever-changing risk landscape. In 2025, the following main updates have been implemented:

- The introduction of the Loss Absorbing Capacity of Future Profits (LAC FP) model, reflecting the future profits stemming from renewals and new business expected to be written over the next 12 months.
- The implementation of Persistency renewals and new business, of which the timing was linked to LAC FP.
- The integration of the Belgian branch portfolio in the relevant internal models.
- Improved Future Management Action in the Individual Morbidity risk model by using a more specific trigger and including the Momentum portfolio.



Solvency Capital Requirement

In EUR thousand	2025	2024
Market Risk	494,154	467,784
Counterparty Default Risk	10,630	13,198
Non-Market Risk	1,772,629	1,706,370
Total BSCR (before diversification)	2,277,413	2,187,352
Diversification	-473,523	-427,321
Total BSCR (after diversification)	1,803,890	1,760,031
Operational Risk	125,463	119,723
Loss-Absorbing Capacity of Future Profits (LAC FP)	-137,846	
Loss-Absorbing Capacity of Deferred Taxes (LAC DT)	-416,266	-446,229
Total SCR	1,375,241	1,433,525

Reference is made to QRT S.25.05.21 in the Appendix and [Note 35 Risk management](#) in the 2025 Annual Report of NN Schade for further explanations by risk categories.

NN Schade determined the SCR including:

- Loss-absorbing capacity of deferred taxes (LAC DT). NN Schade'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 and new business returns and the projection period.
- Loss-absorbing capacity of future profits (LAC FP). LAC FP refers to the loss absorbing capacity of future profits from renewals and new business to be written in the next 12 months. Since the underlying non-market risk models only cover the unexpected losses of renewals and new business, the LAC FP adjusts for the expected profit/loss of renewals and new business, thereby reducing the SCR.

Deferred tax under Solvency II

The total deferred tax amount in Solvency II arises from:

- Taxable or deductible temporary differences because the carrying amount of assets or liabilities in the balance sheet differs from the tax base of those assets or liabilities. These differences multiplied by the tax rate are recognised as a net deferred tax liability or a net deferred tax asset (per legal entity) in the balance

sheet. Reference is made to [Section D.1 Assets](#) for the deferred tax asset recognised in the Solvency II balance sheet.

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

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

deferred tax assets on unused tax losses

+/- deferred tax assets/liabilities from valuation differences between IFRS and tax basis (except for non-taxable items)

= deferred tax asset/liability in the IFRS balance sheet (deferred tax for IFRS)

+/- deferred tax assets/liabilities from valuation differences between Solvency II and IFRS (except for non-taxable items)

= deferred tax asset/liability in the Solvency II balance sheet (deferred tax for Own Funds)

+ deferred tax on SCR (LAC DT on the SCR) (except for non-taxable items)

= total deferred tax amount for Solvency II

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



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

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

Specific 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.

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

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

- The amount of the risk margin in the technical provision
- Taxable return on capital after the shock and net of expected dividends
- Taxable part of investment spread in excess of interest accretion on liabilities and funding costs over their (expected average) remaining duration
- Profits from estimated new business
- Other taxable items

Total LAC DT of NN Schade is calculated by adding LAC DT determined separately for the portfolios of NN Schade and for the foreign portfolios, namely Belgium branch and German portfolio, after which the diversification is applied. Finally, the tax part of the LAC FP is deducted.

The net deferred tax asset is classified as Tier 3 capital. Tier 3 capital cannot exceed 15% of NN Schade's SCR. Further information on Tiering is included in [Note 36 Capital and liquidity management](#) in the 2025 Annual Report of NN Schade.

Minimum Capital Requirement

In EUR thousand	2025	2024
Eligible Own Funds to cover MCR	1,840,389	1,786,080
of which Tier 1 unrestricted	1,590,609	1,539,513
of which Tier 1 restricted	127,816	129,063
of which Tier 2	121,963	117,504
MCR (or the sum of the MCR of the related undertakings)	609,816	587,521



For the MCR (and its inputs) as calculated in accordance with the formulas in the Solvency II regulations, reference is made to QRT S.28.01.01 as included in the Appendix.

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

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

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

The considerations for using a Internal Model are in particular:

- A Partial Internal Model approach reflects better the specific assets and therefore the market risk in the portfolio of NN Schade e.g. property risk, sovereign and other credit spread risks. In addition the approach to the most significant non-market risks within NN Schade such as Disability/Morbidity and catastrophe windstorm is better tailored to the specific portfolio characteristics and statutory reserves set up according to local company law
- In the case of Disability/Morbidity Risks the product features and experience in the Dutch market are different from those in the wider European market, e.g. greater emphasis is placed on claimants returning to work in the Netherlands
- In the case of the Non-Life catastrophe windstorm risk in P&C products the Partial Internal Model better reflects the risk profile in the NN Schade portfolio which differs due to the type of property
- The Partial Internal Model accounts for the volatility adjustment by means of an approach recognising the illiquidity of liabilities in the asset shocks. Reference is made to section D.2 (in paragraph 'Matching and volatility adjustment, transitional measures and transitional risk-free interest rate term structure') for further information on NN Schade's volatility adjustment.

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

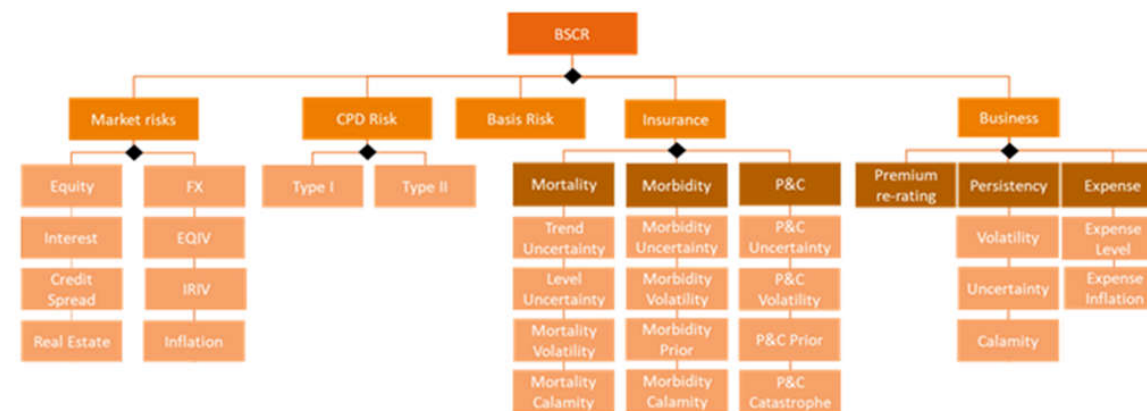
Risk arises from the possibility that economic reality will deviate from expectations, leading to economic losses (or gains) for NN Schade. In this respect, NN Schade identifies the following types of risk:

- Market risk – Risk driven by movements in financial markets which impact on the market value of assets and liabilities. Market risk is modelled by centrally developed risk models (e.g., interest rate risk model, credit spread risk model, equity risk model, etc.).
- Counterparty default risk – Risk due to unexpected default or deterioration in the credit standing of counterparties and debtors. Counterparty default risk is modelled by a centrally developed risk model.

- Business risk – Risk driven by deviations from best estimate assumptions related to expenses, persistency and premium re-rating that impacts the business model. Business risk is modelled by locally developed risk models.
- Insurance risk – Risk driven by deviations from best estimate assumptions relating to life (mortality), morbidity, and non-life risk (property and casualty risk). Insurance risk is modelled by locally developed risk models.
- Operational risk – Risk of losses resulting from inadequate or failed internal processes, people, and systems or from external events. Operational risk is calculated using the Standard Formula.

Within these risk types, NN Schade typically distinguishes more granular risk sub-types. The risk aggregation (market and non-market risk) is modelled by centrally developed risk models.

Not all potential risks can be measured effectively within the Internal Model. NN Schade mitigates non-measurable risks by means of sound risk management and adequate governance processes.



◆ = Correlation matrix or diversification factor



On top of the risk types that were identified within the Internal Model, there are also other reporting elements applied for SCR reporting. These include the adjustment for LAC DT, LAC FP. It is noted that LAC FP is formally part of the PIM.

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

- Interest Rate Risk:
 - The Internal Model applies relative shocks, meaning the magnitude of the shock depends on the initial level of interest rates at the time of application. In contrast, the Standard Formula uses static shocks – absolute shifts per tenor – based on the curve level at the time of calibration.
 - The Internal Model allows for negative interest rates, whereas the Standard Formula does not
 - In the Partial Internal Model, first, the shock is applied to the interest rates and then the resulting rates are extrapolated to the Ultimate Forward rate (UFR). In the Standard Model the interest rates are first extrapolated to the UFR and afterwards the shock is applied
- 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 Partial Internal Model recognises that exposure to volatility on credit spreads on our assets is mitigated by the illiquid nature of the liabilities through the Aligned Reference Portfolio (ARP) approach
- Real Estate Risk:
 - Shock applied in the Standard Formula is calibrated to historical prices observed in the UK property market, while the shocks in the Partial Internal Model are calibrated to historical prices observed in the property markets according to actual exposures of NN Schade
- Counterparty Default Risk:
 - Counterparty Default Risk module in the Standard Formula includes shocks applied to mortgage exposure, which are included under the Credit Spread module in the Partial Internal Model
- Diversification within the Market Risk module:
 - The copulas for market risk aggregation are used for PIM. For Standard Formula, the market risks are modelled using a Variance-Co-variance method. The Risk aggregation within the Internal Model is performed on different level than in the Standard Formula. Partial Internal Model captures the dependency between risk drivers, while Standard Formula correlates losses
- Morbidity Risk:
 - For some products (e.g. WGA-EBD) the benefits are very specific to the Dutch market and depend on Dutch legislation. The regular Standard Formula calibration is based on Europe wide experience and does not fit the Dutch market well. Furthermore, the Standard Formula calculation does not take all risks into account that are present in the WIA products. Morbidity risk includes also indexation risk.
- Non-Life Catastrophe Risk:
 - NN Schade’s own data does not necessarily fit the Standard Formula assumptions. For CAT Windstorm, the specific characteristics of the NN Schade portfolio (e.g. building characteristics – private or commercial) and a more advanced model that predicts the path of storm have been used to more accurately capture the risk profile of the business than is possible with the Standard Formula.
- Non-life Premium and Reserve Risk:
 - NN Schade’s distinguishes between P&C Prior risk and P&C Current risk in its PIM. P&C Prior and Current Risk are tailored to the characteristics of NN Schade’s portfolios with separate homogeneous risk groups for personal and commercial lines as well as different distribution channels. For P&C Current risk model, large losses and attritional losses are modelled separately. However, this split is not made under Standard Formula.
- Diversification within the Non-Market Risk module:
 - The copulas for non-market risk aggregation are used for PIM. For Standard Formula, the Non-market risks are modelled using a Variance-Co-variance method. The Variance-Co-Variance methodology is based on a pure ‘bottom-up’ approach, meaning that NN Schade does not consider sub-aggregation across risk types in the basic matrix. This differs from the standard approach under Solvency II.



Capital requirements for operational risk are calculated based on the Standard Formula.

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

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

- All relevant market data must be used when it is available and is of sufficient quality, i.e. data derived from deep, liquid and transparent (DLT) markets; for most of the market risk models NN Schade uses standard well established market data sources;
- The market data used should be of sufficient quality; e.g. for most of the market risk models standard well established market data sources are used. The data is analysed for correctness as part of the calibration process;
- From the last observable liquid market data point, extrapolation methods must be used to complete the data set.

Extrapolated data should:

- Be free of arbitrage
- Be based on sound theoretical assumptions and/or expert judgment
- Follow a smooth path from the entry point to the unconditional long-term level
- Estimates of ultimate long-term rates or levels should be stable over time, and only change because of changes in long-term expectations
- For non-market risks in general, an appropriate selection of company-specific data is made to give the best possible fit to our risk profile
- Qualitative and quantitative information on the material sources of NN Schade's diversification effects

The material diversification effects arises from:

- For diversification within market risks, reference is made to the 'Market risk capital requirements' table in [Note 35 Risk management](#) of the 2025 Annual Report of NN Schade
- For other diversifications, reference is made to [Note 35 Risk management](#) of the 2025 Annual Report of NN Schade

The use of the Partial Internal Model

The Partial Internal Model allows NN Schade 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 Schade's risk appetite

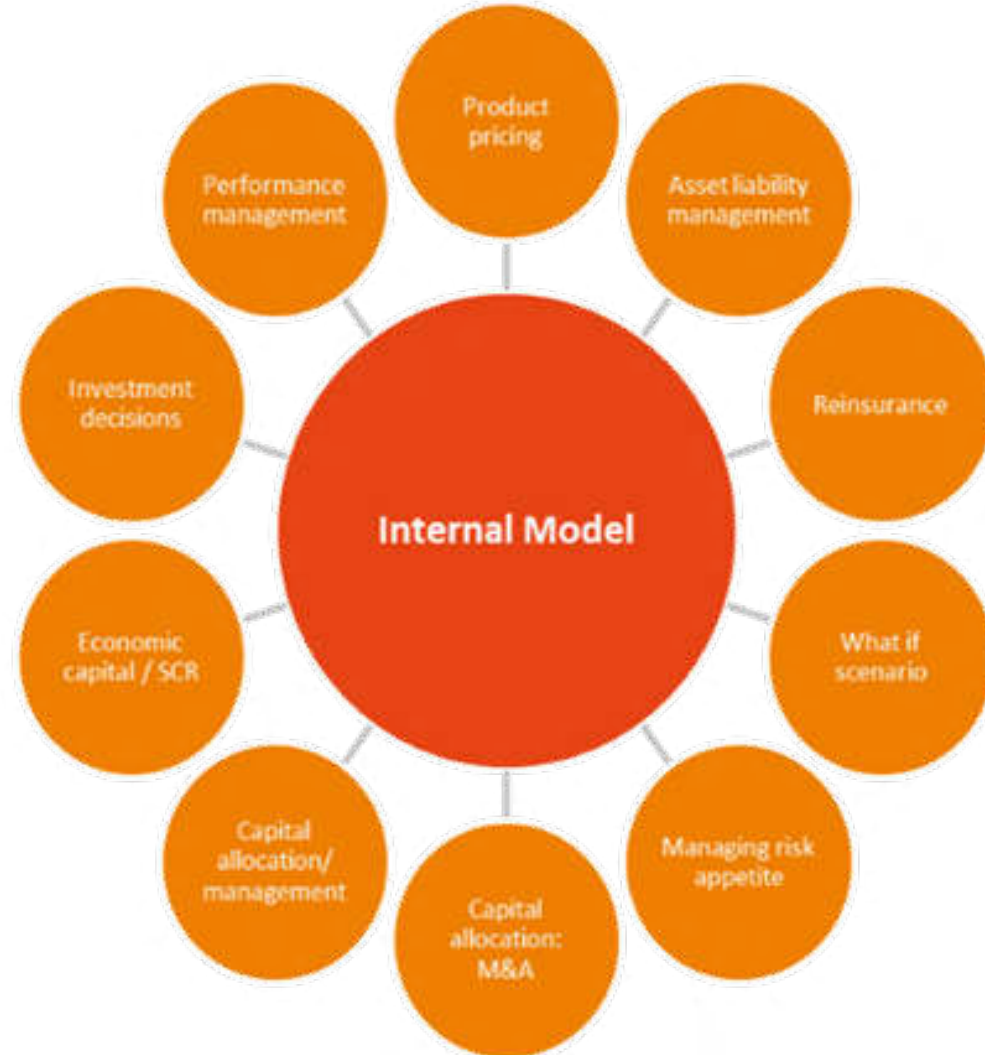
The model allows NN Schade to manage risk in many different ways, e.g.:

- 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 Schade to proactively define its risk measurement and management approach rather than awaiting (generic) industry changes to the Standard Formula

The Partial Internal Model is used for different purposes. It is used to measure and manage the risks at all levels within the company, thus covering the entire loss distribution. This information is not only used to determine the SCR to cover tail risks. It is also used for, amongst others, wider risk management, capital management and business decisions such as product pricing, portfolio management and asset allocation.

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

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



The methods used in the Partial 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 36 Capital and liquidity management](#) in the 2025 Annual accounts of NN Schade for more information on the entities in scope of NN Schade's Partial Internal Model.

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

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

E.6 Any other information

Reference is made to [Note 36 Capital and liquidity management](#) in 2025 Annual accounts of NN Schade for any other material information regarding the capital management of NN Schade.



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

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

Reference number	Title	Description
S.02.01.02	Balance sheet	Balance sheet information using Solvency II valuation methodology
S.05.01.02	Premiums, claims and expenses by line of business	Information on premiums, claims and expenses using the valuation and recognition principles used in NN Group's Consolidated annual report
S.12.01.02	Life and Health SLT Technical Provisions	Information on Life and Health similar to life technical provisions by line of business
S.17.01.02	Non-Life Technical Provisions	Information on Non-life and Health similar to Non-life technical provisions by line of business
S.19.01.21	Non-Life insurance claims	Information on Non-life Gross Claims paid and Best Estimate provision
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 or only non-life insurance or reinsurance activity	Information on the Minimal Capital Requirement calculation.

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



S.02.01.02 Balance sheet

		Solvency II value C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	987
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	6,562
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5,688,688
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	46,379
Equities	R0100	170,109
Equities - listed	R0110	160,149
Equities - unlisted	R0120	9,960
Bonds	R0130	4,178,876
Government Bonds	R0140	1,550,771
Corporate Bonds	R0150	2,534,772
Structured notes	R0160	18,213
Collateralised securities	R0170	75,120
Collective Investments Undertakings	R0180	1,277,883
Derivatives	R0190	15,441
Deposits other than cash equivalents	R0200	
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	2,163,370



		Solvency II value C0010
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	1,803,839
Other loans and mortgages	R0260	359,532
Reinsurance recoverables from:	R0270	136,896
Non-life and health similar to non-life	R0280	62,165
Non-life excluding health	R0290	62,165
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	74,730
Health similar to life	R0320	74,730
Life excluding health and index-linked and unit-linked	R0330	
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	1,560
Insurance and intermediaries receivables	R0360	87,214
Reinsurance receivables	R0370	26,233
Receivables (trade, not insurance)	R0380	241,625
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	11,479
Any other assets, not elsewhere shown	R0420	9,065
Total assets	R0500	8,413,756



		Solvency II value C0010
Liabilities		
Technical provisions – non-life	R0510	2,532,862
Technical provisions – non-life (excluding health)	R0520	2,215,705
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2,147,140
Risk margin	R0550	68,565
Technical provisions - health (similar to non-life)	R0560	317,157
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	308,470
Risk margin	R0590	8,687
Technical provisions - life (excluding index-linked and unit-linked)	R0600	3,425,724
Technical provisions - health (similar to life)	R0610	3,425,724
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	3,033,912
Risk margin	R0640	391,812
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	
Risk margin	R0680	
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Other technical provisions	R0730	
Contingent liabilities	R0740	4,500



		Solvency II value
		C0010
Provisions other than technical provisions	R0750	159
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	86,001
Deferred tax liabilities	R0780	112,180
Derivatives	R0790	25,730
Debts owed to credit institutions	R0800	9,570
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	221,554
Reinsurance payables	R0830	40,576
Payables (trade, not insurance)	R0840	51,406
Subordinated liabilities	R0850	277,361
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	277,361
Any other liabilities, not elsewhere shown	R0880	34,385
Total liabilities	R0900	6,822,009
Excess of assets over liabilities	R1000	1,591,746



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

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		605,327		535,301	385,205	88,085	1,165,176	302,168	
Gross - Proportional reinsurance accepted	R0120							1,925		
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140				5,337	1,011	1,889	86,570	1,226	
Net	R0200		605,327		529,964	384,194	86,196	1,080,532	300,941	
Premiums earned										
Gross - Direct Business	R0210		602,114		530,973	383,001	87,695	1,143,298	301,907	
Gross - Proportional reinsurance accepted	R0220							1,925		
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240				5,363	1,011	1,889	86,879	1,226	
Net	R0300		602,114		525,611	381,990	85,806	1,058,344	300,680	
Claims incurred										
Gross - Direct Business	R0310		390,881		434,525	226,117	34,337	448,853	159,012	
Gross - Proportional reinsurance accepted	R0320				-57		0	221	-357	
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340				-6,934	-3,192	4,646	8,541	1,043	
Net	R0400		390,881		441,403	229,309	29,691	440,533	157,612	
Expenses incurred	R0550		147,711		182,871	134,974	30,354	423,877	122,668	
Balance - other technical expenses/income	R1210									
Total technical expenses	R1300									



		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance			Total	
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	110,541	28,794	78,801					3,299,397
Gross - Proportional reinsurance accepted	R0120								1,925
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	104,341	761						201,134
Net	R0200	6,200	28,033	78,801					3,100,188
Premiums earned									
Gross - Direct Business	R0210	110,325	28,598	78,706					3,266,616
Gross - Proportional reinsurance accepted	R0220								1,925
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	104,173	761						201,301
Net	R0300	6,152	27,837	78,706					3,067,240
Claims incurred									
Gross - Direct Business	R0310	70,013	21,639	57,406					1,842,783
Gross - Proportional reinsurance accepted	R0320								-193
Gross - Non-proportional reinsurance accepted	R0330							5	-300
Reinsurers' share	R0340	66,589							70,692
Net	R0400	3,424	21,639	57,406		-306		5	1,771,598
Expenses incurred	R0550	1,049	10,251	17,225		-24			1,070,957
Balance - other technical expenses/income	R1210								-448
Total technical expenses	R1300								1,070,508



		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written										
Gross	R1410	678,761								678,761
Reinsurers' share	R1420	15,950								15,950
Net	R1500	662,811								662,811
Premiums earned										
Gross	R1510	685,155								685,155
Reinsurers' share	R1520	15,950								15,950
Net	R1600	669,205								669,205
Claims incurred										
Gross	R1610	504,740								504,740
Reinsurers' share	R1620	-22,929								-22,929
Net	R1700	527,669								527,669
Expenses incurred	R1900	181,471								181,471
Balance - other technical expenses/income	R2510									1,330
Total technical expenses	R2600									182,801
Total amount of surrenders	R2700									



S.12.01.02 Life and Health SLT Technical Provisions

		Health insurance (direct business)			Total (Health similar to life insurance)
		Contracts without options and guarantees	Contracts with options or guarantees		
		C0160	C0170	C0180	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		3,021,993	11,919	3,033,912
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		74,730		74,730
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		2,947,263	11,919	2,959,182
Risk Margin	R0100	391,812			391,812
Technical provisions - total	R0200	3,425,724			3,425,724



S.17.01.02 Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0030	C0050	C0060	C0070	C0080	C0090	C0110	C0120	C0130
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	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	-50,933	41,673	-1,851	-5,574	-9,512	-12,751	-8,139	726	2,954
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		-1,807	-377	-581	-42,536	-811	-4,016	-922	
Net Best Estimate of Premium Provisions	R0150	-50,933	43,480	-1,475	-4,994	33,024	-11,940	-4,123	1,647	2,954
Claims provisions										
Gross	R0160	359,403	1,002,644	96,639	68,137	340,401	558,274	63,795	3,379	2,397
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		17,884	35	3,062	27,961	8,939	55,332		
Net Best Estimate of Claims Provisions	R0250	359,403	984,759	96,603	65,075	312,440	549,335	8,463	3,379	2,397
Total Best estimate - gross	R0260	308,470	1,044,317	94,787	62,563	330,889	545,523	55,656	4,105	5,351
Total Best estimate - net	R0270	308,470	1,028,239	95,129	60,082	345,464	537,395	4,340	5,026	5,351
Risk margin	R0280	8,687	25,998	4,524	1,696	18,303	16,142	794	239	787
Technical provisions - total										
Technical provisions - total	R0320	317,157	1,070,315	99,311	64,259	349,192	561,665	56,450	4,344	6,138
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		16,077	-342	2,482	-14,575	8,128	51,316	-922	



		Direct business and accepted proportional reinsurance								
		Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0030	C0050	C0060	C0070	C0080	C0090	C0110	C0120	C0130
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	317,157	1,054,237	99,652	61,778	363,767	553,537	5,134	5,265	6,138
					Non-proportional casualty reinsurance		Non-proportional property reinsurance		Total Non-Life obligation	
					C0150		C0170		C0180	
Technical provisions calculated as a whole	R0010								0	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060								-43,408	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								-51,049	
Net Best Estimate of Premium Provisions	R0150								7,641	
Claims provisions										
Gross	R0160				3,944		5		2,499,018	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								113,215	
Net Best Estimate of Claims Provisions	R0250				3,944		5		2,385,803	
Total Best estimate - gross	R0260				3,944		5		2,455,610	
Total Best estimate - net	R0270				3,944		5		2,393,445	
Risk margin	R0280				84		0		77,252	
Technical provisions - total										



		Non-proportional casualty reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0150	C0170	C0180
Technical provisions - total	R0320	4,027	5	2,532,862
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330			62,165
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	4,027	5	2,470,697



S.19.01.21 Non-Life insurance claims (Gross claims paid)

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											48,809
N-9	R0160	854,954	534,767	133,876	80,218	48,052	39,687	21,297	23,705	23,020	16,641	
N-8	R0170	779,578	462,856	126,766	63,874	43,947	38,201	34,360	34,836	19,886		
N-7	R0180	879,260	509,247	133,790	61,979	43,638	34,679	31,387	17,555			
N-6	R0190	747,866	507,299	150,291	65,907	48,141	36,219	25,889				
N-5	R0200	723,575	442,395	105,168	54,166	39,750	33,858					
N-4	R0210	663,887	430,215	122,794	62,602	36,231						
N-3	R0220	729,689	574,647	154,316	63,205							
N-2	R0230	711,605	603,653	129,518								
N-1	R0240	813,678	583,494									
N	R0250	806,221										

		In Current year		Sum of years (cumulative)	
			C0170		C0180
Prior	R0100		48,809		48,809
N-9	R0160		16,641		1,776,218
N-8	R0170		19,886		1,604,304
N-7	R0180		17,555		1,711,535
N-6	R0190		25,889		1,581,612
N-5	R0200		33,858		1,398,912
N-4	R0210		36,231		1,315,729
N-3	R0220		63,205		1,521,857
N-2	R0230		129,518		1,444,776



		In Current year	Sum of years (cumulative)
		C0170	C0180
N-1	R0240	583,494	1,397,172
N	R0250	806,221	806,221
Total	R0260	1,781,309	14,607,146

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											224,441
N-9	R0160	803,044	421,476	299,270	181,445	108,665	121,556	104,171	96,196	70,088	48,285	
N-8	R0170	824,840	437,641	266,200	198,285	159,607	138,323	113,365	75,473	59,999		
N-7	R0180	846,768	418,912	269,746	238,429	162,185	123,353	92,731	65,996			
N-6	R0190	903,554	401,974	264,397	203,972	165,958	126,181	98,336				
N-5	R0200	904,275	382,537	273,061	185,776	153,794	111,591					
N-4	R0210	823,110	386,397	232,592	179,330	139,335						
N-3	R0220	917,144	419,176	268,596	206,386							
N-2	R0230	870,680	418,330	261,536								
N-1	R0240	972,138	430,909									
N	R0250	1,053,558										



S.19.01.21 Non-Life insurance claims (Gross undiscounted best estimate claims provisions)

		Year end (discounted data)	C0360
Prior	R0100		202,864
N-9	R0160		43,844
N-8	R0170		54,387
N-7	R0180		59,734
N-6	R0190		89,218
N-5	R0200		101,116
N-4	R0210		126,574
N-3	R0220		187,912
N-2	R0230		237,886
N-1	R0240		395,299
N	R0250		1,000,184
Total	R0260		2,499,018



S.22.01.21 Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	5,958,586			55,293	
Basic own funds	R0020	1,868,958			-41,030	
Eligible own funds to meet Solvency Capital Requirement	R0050	1,868,958			-41,030	
Solvency Capital Requirement ¹	R0090	1,375,241			258,532	
Eligible own funds to meet MCR	R0100	1,840,389			-40,735	
Minimum Capital Requirement	R0110	609,816			1,911	

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.



S.23.01.01 Own Funds

		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	6,807	6,807			
Share premium account related to ordinary share capital	R0030	25,834	25,834			
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	1,557,969	1,557,969			
Subordinated liabilities	R0140	277,361		127,816	149,546	
An amount equal to the value of net deferred tax assets	R0160	987				987
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	1,868,958	1,590,610	127,816	149,546	987
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					



		Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
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	1,868,958	1,590,610	127,816	149,546	987
Total available own funds to meet the MCR	R0510	1,867,971	1,590,610	127,816	149,546	
Total eligible own funds to meet the SCR	R0540	1,868,958	1,590,610	127,816	149,546	987
Total eligible own funds to meet the MCR	R0550	1,840,389	1,590,610	127,816	121,963	
SCR	R0580	1,375,241				
MCR	R0600	609,816				
Ratio of Eligible own funds to SCR	R0620	1.36				
Ratio of Eligible own funds to MCR	R0640	3.02				



Reconciliation reserve

		C0060
Reconciliation reserve		Amount
Excess of assets over liabilities	R0700	1,591,746
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	149
Other basic own fund items	R0730	33,628
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve	R0760	1,557,969
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	688,354
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	249,459
Total Expected profits included in future premiums (EPIFP)	R0790	937,813



S.25.05.21 Solvency Capital Requirement – for undertakings using an internal model (partial or full)

Unique number of component/ Components description	Risk type	Solvency Capital Requirement		Amount modelled	USP	Simplifications
		C0010	C0070	C0070	C0090	C0120
Total diversification	R0020	-3,424,587	-2,891,476			
Total diversified risk before tax	R0030					
Total diversified risk after tax	R0040					
Total market & credit risk	R0070	685,754	685,754			
Market & Credit risk - diversified	R0080	494,154	494,154			
Credit event risk not covered in market & credit risk	R0190	11,409	11,409			
Credit event risk not covered in market & credit risk - diversified	R0200	10,630	10,630			
Total Business risk	R0270	436,804	436,804			
Total Business risk - diversified	R0280	334,621	334,621			
Total Net Non-life underwriting risk	R0310	2,418,369	1,909,837			
Total Net Non-life underwriting risk - diversified	R0320	983,372	828,467			
Total Life & Health underwriting risk	R0400	1,676,140	1,625,987			
Total Life & Health underwriting risk - diversified	R0410	1,112,588	1,093,772			
Total Operational risk	R0480	125,462				
Total Operational risk - diversified	R0490	125,462				
Other risk	R0500	-137,846	-137,846			



Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	2,922,983
Diversification	R0060	-1,131,476
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add-on	R0200	1,791,507
Capital add-ons already set	R0210	
of which, Capital add-ons already set - Article 37 (1) Type a	R0211	
of which, Capital add-ons already set - Article 37 (1) Type b	R0212	
of which, Capital add-ons already set - Article 37 (1) Type c	R0213	
of which, Capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	1,375,241
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the loss absorbing capacity for deferred taxes	R0310	-416,266
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF nSCR aggregation	R0450	
Net future discretionary benefits	R0460	
		Yes/No
		C0109
Approach based on average tax rate	R0590	No



		LAC DT C0130
Amount/estimate of LAC DT	R0640	(416,266)
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	(112,180)
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	(304,085)
Amount/estimate of AC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	(416,266)



S.28.01.01 Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

		C0010
MCRNL Result	R0010	507,134
		C0020
		C0030
		C0040
Medical expense insurance and proportional reinsurance	R0020	
Income protection insurance and proportional reinsurance	R0030	308,470
Workers' compensation insurance and proportional reinsurance	R0040	
Motor vehicle liability insurance and proportional reinsurance	R0050	1,028,239
Other motor insurance and proportional reinsurance	R0060	95,129
Marine, aviation and transport insurance and proportional reinsurance	R0070	60,082
Fire and other damage to property insurance and proportional reinsurance	R0080	345,464
General liability insurance and proportional reinsurance	R0090	537,395
Credit and suretyship insurance and proportional reinsurance	R0100	
Legal expenses insurance and proportional reinsurance	R0110	4,340
Assistance and proportional reinsurance	R0120	5,026
Miscellaneous financial loss insurance and proportional reinsurance	R0130	5,351
Non-proportional health reinsurance	R0140	
Non-proportional casualty reinsurance	R0150	3,944
Non-proportional marine, aviation and transport reinsurance	R0160	
Non-proportional property reinsurance	R0170	5
MCRL Result	R0200	102,683



		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		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	2,959,182	
Total capital at risk for all life (re)insurance obligations	R0250		57,914,000
			C0070
Linear MCR	R0300		609,816
SCR	R0310		1,375,241
MCR cap	R0320		618,858
MCR floor	R0330		343,810
Combined MCR	R0340		609,816
Absolute floor of the MCR	R0350		4,000
			C0070
Minimum Capital Requirement	R0400		609,816



Contact and legal information

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

Disclaimer

NN Schade's 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 2025 NN Schade annual accounts, except as indicated in chapter D 'Valuation for Solvency Purposes' of the 2025 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 2025 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 Schade'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 Schade of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Schade'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-reports-and-memberships/policy-and-reportlibrary.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 Schade.

Any forward-looking statements made by or on behalf of NN Schade in this report speak only as of the date they are made, and NN Schade 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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