NN Group N.V.
30 June 2016
Condensed consolidated interim financial information

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Interim report

Overview

NN Group profile

NN Group is an international insurance and asset management company, active in more than 18 countries, with a strong presence in a number of European countries and Japan. With around 11,500 employees the group offers retirement services, insurance, investments and banking to more than 15 million customers. NN Group includes Nationale-Nederlanden, NN and NN Investment Partners. NN Group is listed on Euronext Amsterdam (NN).

Alternative Performance Measures (Non-GAAP measures)

NN Group uses two Alternative Performance Measures (APMs, also referred to as Non-GAAP measures) in its external financial reporting: Operating result and Adjusted allocated equity.

Operating result

Operating result is used by NN Group to evaluate the financial performance of NN Group and its segments. NN Group uses Operating result as it reflects how management assesses the performance of the businesses. Operating result excludes gains and losses that are primarily driven by market fluctuations, arise from events or transactions that are clearly distinct from the ordinary business activities and/or are not expected to recur frequently or regularly. Operating result is calculated by adjusting the reported result for the following items:

- Non-operating items: related to (general account) investments that are held for own risk (net of policyholder profit sharing):
  - Capital gains/losses and impairments: realised gains and losses as well as impairments on financial assets that are classified as Available-for-sale and debt securities that are classified as loans. These investments include debt and equity securities (including fixed income and equity funds), private equity (< 20% ownership), real estate funds and loans quoted in active markets.
  - Revaluations: revaluations on assets marked-to-market through the Consolidated profit and loss account. These investments include private equity (associates), real estate (property and associates), derivatives unrelated to product hedging programmes (i.e. interest rate swaps, foreign exchange hedges) and direct equity hedges.
  - Market & other impacts: these impacts mainly comprise the change in the liability for guarantees on separate account pension contracts (net of hedging) in the Netherlands, the equity related and other deferred acquisition costs unlocking for Japan Closed Block VA as well as the accounting volatility related to the reinsurance of minimum guaranteed benefits of Japan Closed Block VA.
- Result on divestments: result before tax related to divested operations.
- Special items before tax: items of income or expense that are significant and arise from events or transactions that are clearly distinct from the ordinary business activities and therefore are not expected to recur frequently or regularly. This includes for example restructuring expenses, rebranding costs, goodwill impairments, results related to early redemption of debt, and gains/losses from employee pension plan amendments or curtailments.

Net operating result of NN Group is the Net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity. The Operating result for the life insurance business is analysed through a margin analysis, which includes the investment margin, fees and premium-based revenues and the technical margin. Disclosures on comparative years also reflect the impact of current year's divestments. Operating result is an Alternative Performance Measure and is not a measure of financial performance under IFRS-EU. Because it is not determined in accordance with IFRS-EU, Operating result as presented by NN Group may not be comparable to other similarly titled measures of performance of other companies. A reconciliation between Operating result and IFRS result is included in Note 15 'Segments' to the Condensed consolidated interim accounts.

Adjusted allocated equity

NN Group evaluates the efficiency of the operational deployment of its equity by calculating Return On Equity ('ROE'). The net operating ROE is calculated using Net operating result for ongoing segments in the numerator and average Adjusted allocated equity for ongoing segments in the denominator. Adjusted allocated equity is derived from IFRS equity by adjusting for:

- Revaluation reserves, and
- Undated subordinated notes classified as equity under IFRS.

Allocated equity per segment represents the part of equity that is economically deployed by the segments. This allocation does not impact equity in total for NN Group. Adjusted allocated equity is an Alternative Performance Measure that is not a measure under IFRS-EU. Adjusted allocated equity as applied by NN Group may not be comparable to other similarly titled measures of other companies. Adjusted allocated equity is reconciled to IFRS Total equity as follows:

amounts in millions of euros	30 June 2016	31 December 2015
IFRS Total equity	26,250	21,464
Undated subordinated notes	-986	-986
Revaluation reserves	-12,879	-8,338
Equity of Japan Closed Block VA	-712	-946
Adjusted allocated equity ongoing business	**11,673**	**11,194**
Average adjusted allocated equity ongoing business for the first six months of 2016	11,386	

Profit and loss account

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Netherlands Life	369	484
Netherlands Non-life	28	69
Insurance Europe	86	95
Japan Life	90	96
Asset Management	62	74
Other	-9	-27
Operating result ongoing business	**626**	**792**
Non-operating items ongoing business	274	247
of which gains/losses and impairments	117	218
of which revaluations	103	141
of which market & other impacts	54	-111
Japan Closed Block VA	-97	60
Special items before tax	-46	-55
Result before tax	**758**	**1,044**
Taxation	152	142
Net result before attribution to minority interests	**606**	**902**
Minority interests		25
Net result	**605**	**877**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
New sales life insurance (APE)	762	776
Value of new business (VNB)	101	113
Total administrative expenses	850	867
Net operating ROE [1]	8.6%	11.8%
Solvency II ratio [2]	252%	

1. Net operating ROE is calculated as the (annualised) net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of ongoing business.
2. The Solvency II ratio is not final until filed with the regulators. The Solvency II ratio is based on the partial internal model.

Note: Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves and the undated subordinated notes classified as equity. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance measures (Non-GAAP measures)'.

In the first six months of 2016, the net result of NN Group decreased to EUR 605 million from EUR 877 million in the same period of 2015, mainly reflecting a lower operating result of the ongoing business and lower result before tax for Japan Closed Block VA, partly compensated by higher non-operating items.

The operating result of the ongoing business decreased to EUR 626 million from EUR 792 million in the first six months of 2015 due to higher claims in Netherlands Non-life as a result of severe storms, while last year's result benefited from higher private equity dividends and a significantly higher technical margin in Netherlands Life.

The administrative expense base for Netherlands Life, Netherlands Non-life and corporate/holding entities decreased by EUR 17 million in the first half of 2016 to EUR 786 million on a last 12-months basis. The target administrative expense base for Netherlands Life, Netherlands Non-life and corporate/holding entities by the end of 2018 will be reduced from EUR 700 million to EUR 685 million, following the announced divestment of Mandema & Partners.

In the first six months of 2016, Netherlands Life's operating result declined to EUR 369 million from EUR 484 million in the same period last year, which benefited from higher private equity dividends and non-recurring benefits in the technical margin. The technical margin in the first six months of 2016 also reflects an addition to the unit-linked guarantee provision of EUR 32 million due to a decrease in interest rates, compared with a EUR 8 million release of the provision in the same period last year.

The operating result of Netherlands Non-life decreased to EUR 28 million from EUR 69 million in the first six months of 2015. The decrease is mainly attributable to the impact of severe storms, lower private equity dividends and unfavourable claims experience in Motor and Miscellaneous, partly compensated by fewer large claims in Fire.

In the first six months of 2016, the operating result of Insurance Europe decreased to EUR 86 million, from EUR 95 million in the same period of 2015. The decline in the investment margin and a decrease in the technical margin due to a provision related to the terrorist attacks in Belgium in March 2016 were only partly compensated by an increase in fees and premium-based revenues.

The operating result of Japan Life was EUR 90 million compared with EUR 96 million in the same period of 2015, II ratio of 239%, up from 212% at the end of the first quarter of 2016 due to positive market of the operating result reflects a lower investment margin, a decrease in mortality results and higher DAC amortisation on surrenders, partly offset by higher fees and premium-based revenues.

In the first six months of 2016, the operating result of Asset Management was EUR 62 million, down 16.8% compared with the same period in 2015. Lower average AuM as well as a shift to lower margin AuM led to lower fee income, which was only partly offset by a decrease in administrative expenses.

The operating result of the segment Other improved to EUR -9 million in the first six months of 2016, from EUR -27 million in the same period of 2015, mainly reflecting a higher operating result at NN Bank and lower holding expenses.

The result before tax decreased to EUR 758 million from EUR 1,044 million in the first six months of 2015, largely reflecting the lower operating result ongoing business and lower results at Japan Closed Block VA.

Gains/losses and impairments were EUR 117 million, compared with EUR 218 million in the first six months of 2015, which was supported by a gain on the sale of a large public equity investment in the Netherlands following a public offering in 2015.

Revaluations amounted to EUR 103 million in the first six months of 2016 reflecting positive revaluations on real estate investments and on private equity.

Market and other impacts amounted to EUR 54 million compared with EUR -111 million in the first six months of last year which included a movement in the provision for guarantees on separate account pension contracts (net of hedging) at Netherlands Life.

The result before tax of Japan Closed Block VA decreased to EUR -97 million in the first six months of 2016, compared with EUR 60 million in the same period of 2015. The first six months of 2016 included a EUR 103 million hedge-related loss due to higher market volatility and a EUR 16 million technical provision increase following the refinement of lapse assumptions on the portfolio, while the first six months of 2015 benefited from a EUR 12 million reserve release from higher lapse assumptions of out-of-money policies.

In the first six months of 2016, special items were EUR -46 million compared with EUR -55 million in the same period of 2015. In the first six months of 2016 special items consisted of disentanglement related expenses in Belgium, expenses for the rebranding of NN Group's subsidiaries and restructuring expenses related to the target to reduce the administrative expense base of Netherlands Life, Netherlands Non-life and corporate/holding entities.

In the first six months of 2016, the net result decreased to EUR 605 million from EUR 877 million in the same period of 2015. The effective tax rate in the first six months of 2016, was 20.1% compared with 13.6% in the same period of 2015, which included higher tax-exempt dividends and capital gains related to shareholdings of 5% or more in the Netherlands.

Total new sales (APE) in the first six months of 2016 amounted to EUR 762 million, down 3.6% compared with the same period last year on a constant currency basis, largely due to lower sales in Netherlands Life and Japan Life.

In the first six months of 2016, the value of new business (VNB) declined to EUR 101 million from EUR 113 million in the same period of 2015. The decrease primarily reflects a lower VNB at Insurance Europe largely due to lower term insurance sales in Belgium and negative market impacts.

The net operating ROE of the ongoing business of NN Group was 8.6% in the first six months of 2016 compared with 11.8% in the same period of 2015 which benefited from higher private equity dividends and a higher technical margin at Netherlands Life. The current year was impacted by higher claims at Netherlands Non-life due to severe storms.

Netherlands Life

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Investment margin	400	422
Fees and premium-based revenues	176	196
Technical margin	30	108
Operating income	**606**	**725**
Administrative expenses	216	215
DAC amortisation and trail commissions	21	26
Expenses	**237**	**241**
Operating result	**369**	**484**
Non-operating items	257	198
of which gains/losses and impairments	96	178
of which revaluations	103	130
of which market & other impacts	58	-111
Special items before tax	-2	-2
Result before tax	**624**	**680**
Taxation	120	75
Minority interests		22
Net result	**504**	**583**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
New sales life insurance (APE)	196	203
Value of new business (VNB)	6	8
Total administrative expenses	216	215
Net operating ROE [1]	8.7%	12.3%
NN Life Solvency II ratio [2]	239%	

1. Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity.
2. The Solvency II ratio is not final until filed with the regulators. The Solvency II ratio is based on the partial internal model.

In the first six months of 2016, Netherlands Life's operating result declined to EUR 369 million from EUR 484 million in the same period of 2015, which benefited from higher private equity dividends and non-recurring benefits in the technical margin.

The investment margin in the first six months of 2016 decreased to EUR 400 million from EUR 422 million in the same period of 2015, reflecting lower private equity dividends.

Fees and premium-based revenues decreased to EUR 176 million in the first six months of 2016 from EUR 196 million for the same period in 2015 mainly reflecting the individual life closed book run-off as well as lower margins in the pension business.

In the first six months of 2016, the technical margin decreased to EUR 30 million from EUR 108 million in the same period last year, which was supported by EUR 27 million of non-recurring benefits primarily related to technical provision releases. The technical margin also reflects an addition to the unit-linked guarantee provision of EUR 32 million in the first six months of 2016 due to a decrease in interest rates, compared with a EUR 8 million release of the provision in the same period last year.

Administrative expenses were EUR 216 million for the first six months of 2016, stable compared with the same period of 2015 as lower staff costs were offset by higher project expenses.

In the first six months of 2016, the result before tax was EUR 624 million compared with EUR 680 million in the same period of 2015. This decline is due to a lower operating result, lower gains/losses and impairments and lower positive revaluations on private equity and real estate. This was partly compensated by positive market and other impacts reflecting movements in the provision for guarantees on separate account pension contracts.

New sales (APE) decreased to EUR 196 million in the first six months of 2016 from EUR 203 million in the same period last year, which included a EUR 420 million single premium relating to the buy-out of a large company pension fund. Excluding the impact of this buy-out, APE increased by 21.4%, mainly driven by the renewal of a few large group pension contracts.

The value of new business (VNB) for the first six months of 2016 was EUR 6 million, compared with EUR 8 million in the same period last year.

Netherlands Non-life

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Earned premiums	770	762
Investment income	56	67
Operating income	**827**	**829**
Claims incurred, net of reinsurance	**573**	**528**
Acquisition costs	121	120
Administrative expenses	108	114
Acquisition costs and administrative expenses	**229**	**234**
Expenditure	**802**	**761**
Operating result insurance businesses	**25**	**67**
Operating result broker businesses	3	2
Total operating result	**28**	**69**
Non-operating items	31	13
of which gains/losses and impairments	23	4
of which revaluations	8	9
Special items before tax	-12	-1
Result before tax	**47**	**81**
Taxation	10	15
Net result	**38**	**66**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Gross premium income	1,052	1,023
Total administrative expenses	139	148
Combined ratio [1]	104.0%	100.0%
of which Claims ratio [1]	74.4%	69.3%
of which Expense ratio [1]	29.7%	30.7%
Net operating ROE [2]	12.6%	26.4%

1. Excluding Mandema & Partners and Zicht broker businesses.
2. Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity.

In the first six months of 2016, the operating result of Netherlands Non-life decreased to EUR 28 million from EUR 69 million in the same period of 2015. The decrease is mainly attributable to the impact of the severe storms, lower private equity dividends and unfavourable claims experience in Motor and Miscellaneous, partly compensated by fewer large claims in Fire.

The operating result in Disability & Accident (D&A) was EUR 58 million compared with EUR 66 million in the first six months of 2015, which included a EUR 6 million private equity dividend.

The operating result in P&C of EUR -32 million decreased from EUR 1 million in the first six months of 2015, due to the impact of severe storms, and lower underwriting results for the Motor and Miscellaneous portfolios, partly offset by fewer large claims in the Fire portfolio.

The combined ratio was 104.0% for the first six months of 2016 compared with 100.0% for the same period of 2015.

In the first six months of 2016, the result before tax decreased to EUR 47 million from EUR 81 million in the same period of 2015, as the lower operating result and higher special items reflecting restructuring expenses were only partly compensated by higher gains on the sale of debt securities.

Insurance Europe

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Investment margin	34	41
Fees and premium-based revenues	271	267
Technical margin	93	96
Operating income non-modelled business	2	2
Operating income Life Insurance	**399**	**406**
Administrative expenses	157	152
DAC amortisation and trail commissions	157	161
Expenses Life Insurance	**314**	**313**
Operating result Life Insurance	**86**	**94**
Non-life operating result	1	2
Operating result	**86**	**95**
Non-operating items	-7	23
of which gains/losses and impairments	-6	20
of which revaluations	2	3
of which market & other impacts	-3	
Special items before tax	-22	-30
Result before tax	**57**	**88**
Taxation	14	22
Minority interests		3
Net result	**43**	**63**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
New sales life insurance (APE)	263	273
Value of new business (VNB)	46	55
Total administrative expenses	163	161
Net operating ROE [1]	9.5%	9.2%

1. Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity.

In the first six months of 2016, the operating result of Insurance Europe decreased to EUR 86 million from EUR 95 million in the same period of 2015. The decline in the investment margin and a decrease in the technical margin due to a provision related to the terrorist attacks in Belgium in March 2016 were only partly compensated by an increase in fees and premium-based revenues.

The investment margin was EUR 34 million, down from EUR 41 million for the first six months of 2015 due to lower reinvestment rates and lower invested volumes.

Fees and premium-based revenues increased to EUR 271 million from EUR 267 million in the same period of 2015 reflecting updates to provisions in Romania and higher traditional life revenues, partly offset by a decrease in unit-linked revenues and lower fees on assets under management.

The technical margin decreased to EUR 93 million from EUR 96 million in the first six months of 2015, mainly due to a provision related to the terrorist attacks in Belgium in March 2016.

Administrative expenses were EUR 157 million in the first six months of 2016 from EUR 152 million in the same period of 2015, mainly reflecting the tax on assets of insurance companies that became effective in Poland as of February 2016 and higher project expenses across the region.

DAC amortisation and trail commissions decreased to EUR 157 million from EUR 161 million in the first six months of 2015, reflecting a lower crisis tax in Belgium as well as lower sales.

The result before tax decreased to EUR 57 million in the first six months of 2016 from EUR 88 million in the same period of 2015, reflecting the lower operating result and lower non-operating items, partly offset by a decrease in special items.

Gains/losses and impairments were EUR -6 million compared with EUR 20 million in the first six months of 2015 which included EUR 14 million of gains on the sale of bonds, fixed income funds and equities.

Revaluations were EUR 2 million compared with EUR 3 million in the first six months of 2015.

Market and other impacts decreased to EUR -3 million from nil in the first six months of 2015.

Special items before tax were EUR -22 million compared with EUR -30 million in the first six months of 2015, reflecting lower rebranding expenses across the region.

New sales were EUR 263 million in the first six months of 2016, down from EUR 273 million in the same period of 2015, which included the sale of a large group contract in Spain. Excluding this contract and excluding currency effects, sales increased by 3.4%, driven mainly by higher bancassurance sales in Romania.

In the first six months of 2016, the value of new business (VNB) decreased to EUR 46 million from EUR 55 million in the same period of 2015, largely due to lower term insurance sales in Belgium and negative market impacts.

Japan Life

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Investment margin	-12	-5
Fees and premium-based revenues	306	274
Technical margin	-10	-7
Operating income	**284**	**261**
Administrative expenses	55	51
DAC amortisation and trail commissions	139	113
Expenses	**194**	**165**
Operating result	**90**	**96**
Non-operating items	-3	3
of which gains/losses and impairments	1	4
of which revaluations	-4	-1
Special items before tax	-2	-7
Result before tax	**85**	**93**
Taxation	18	16
Net result	**67**	**77**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
New sales life insurance (APE)	303	300
Value of new business (VNB)	49	50
Total administrative expenses	55	51
Net operating ROE [1]	8.6%	10.5%

1. Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity.

In the first six months of 2016, the operating result of Japan Life was EUR 90 million compared with EUR 96 million in the same period of 2015, down 12.1% excluding currency effects. The decline of the operating result reflects a lower investment margin, a decrease in mortality results and higher DAC amortisation on surrenders, partly offset by higher fees and premium-based revenues.

The investment margin decreased to EUR -12 million from EUR -5 million in the first six months of 2015 due to lower interest rates on reinvested assets.

Fees and premium-based revenues increased to EUR 306 million from EUR 274 million in the first six months of 2015. Excluding currency effects, fees and premium-based revenues increased by 4.4% driven by higher in-force volumes.

The technical margin was EUR -10 million down from EUR -7 million in the first six months of 2015, due to lower mortality results, partially offset by a better surrender margin. The better surrender results in the technical margin were more than offset by higher DAC amortisation on surrenders.

Administrative expenses were EUR 55 million in the first six months of 2016, slightly lower compared with the same period of 2015, on a constant currency basis.

DAC amortisation and trail commissions were EUR 139 million in the first six months of 2016, up 14.7% excluding currency effects, due to higher premium income and higher DAC amortisation on surrenders.

The result before tax for the first six months of 2016 was EUR 85 million compared with EUR 93 million in the same period of 2015, down 13.8% at constant currencies.

In the first six months of 2016, new sales (APE) were EUR 303 million compared with EUR 300 million in the same period of 2015, down 5.7% at constant currencies.

The value of new business (VNB) was EUR 49 million for the first six months of 2016, broadly stable on the same period of 2015, as the impact of the decrease in interest rates was largely offset by higher sales of COLI protection products.

Asset Management

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Fees	224	254
Operating income	**224**	**253**
Administrative expenses	162	179
Operating result	**62**	**74**
Special items before tax	-3	-15
Result before tax	**59**	**59**
Taxation	15	16
Net result	**44**	**43**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Total administrative expenses	162	179
Net inflow Assets under Management (in EUR billion)	-3	-2
Assets under Management [1)2)]	197	193
Net operating ROE [3]	22.8%	27.8%

1. End of period, in EUR billion.
2. AuM includes the mortgage portfolio managed on behalf of NN Life and NN Non-life since 2Q14. The comparative figures have been restated accordingly.
3. Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity.

Total Assets under Management (AuM) at Asset Management were EUR 197 billion at the end of the first six months of 2016, compared with EUR 187 billion at the end of 2015. The increase reflects positive market performance of EUR 13.3 billion as a result of lower interest rates increasing the value of fixed income assets, as well as net inflows in Proprietary assets of EUR 2.3 billion, partly offset by net outflows in Other Affiliated assets of EUR 4.3 billion and Third Party assets of EUR 1.3 billion.

In the first six months of 2016, the operating result of Asset Management was EUR 62 million, down 16.8% from the same period in 2015. Lower fee income was only partly offset by a decrease in administrative expenses.

Fees were EUR 224 million, down 11.8% compared with the first six months of 2015, reflecting the lower average AuM as well as a shift to lower margin AuM primarily due to a higher proportion of fixed income investments.

Administrative expenses were EUR 162 million, down from EUR 179 million in the first six months of 2015. The decrease mainly reflects lower staff-related expenses as well as lower volume driven fixed service fee expenses (with an offsetting impact in fees).

The result before tax in the first six months of 2016 was EUR 59 million, stable compared with the same period in 2015, as the lower operating result was offset by lower special items related to rebranding expenses.

Other

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Interest on hybrids and debt	-51	-51
Investment income & fees	28	31
Holding expenses	-25	-32
Amortisation of intangible assets	-3	-3
Holding result	**-52**	**-56**
Operating result reinsurance business	12	13
Operating result NN Bank	30	11
Other results	1	5
Operating result	**-9**	**-27**
Non-operating items	-3	11
of which gains/losses and impairments	2	11
of which revaluations	-6	
Special items before tax	-5	
Result before tax	**-17**	**-17**
Taxation	-1	-4
Net result	**-16**	**-12**

Key Figures

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Total administrative expenses	115	113
of which reinsurance business	7	6
of which NN Bank	82	73
of which corporate/holding	25	34
NN Bank common equity Tier 1 ratio phased in[1]	13.9%	14.2%
Total assets NN Bank [2]	13	11

1. The 'NN Bank common equity Tier 1 ratio phased in' is not final until filed with the regulators.
2. End of period, in EUR billion.

In the first six months of 2016, the operating result of the segment Other improved to EUR -9 million from EUR -27 million in the same period of 2015 mainly reflecting a higher operating result at NN Bank and a lower holding expenses.

The holding result improved to EUR -52 million compared with EUR -56 million in the first six months of 2015, reflecting lower holding expenses, partly offset by lower investment income.

The operating result of the reinsurance business decreased to EUR 12 million.

The operating result of NN Bank improved to EUR 30 million from EUR 11 million in the first six months of 2015. The expansion of its mortgage and customer savings activities led to a higher interest result, partly offset by higher administrative expenses supporting the bank's growth.

The result before tax of the segment Other was EUR -17 million in the first six months of 2016, stable compared with the same period of 2015. The improved operating result in the first six months of 2016 was offset by lower non-operating items and higher special items reflecting restructuring expenses in the holding company.

Total administrative expenses were up EUR 2 million to EUR 115 million in the first six months of 2016 as the lower holding expenses were more than offset by higher expenses at NN Bank.

Japan Closed Block VA

Analysis of result

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Investment margin	-1	
Fees and premium-based revenues	29	52
Operating income	**28**	**52**
Administrative expenses	8	10
DAC amortisation and trail commissions	4	6
Expenses	**12**	**16**
Operating result	**16**	**36**
Non-operating items	-113	24
of which market & other impacts	-113	24
Result before tax	**-97**	**60**
Taxation	-23	2
Net result	**-74**	**57**

Key Figures[1]

amounts in millions of euros	1 January to 30 June 2016	1 January to 30 June 2015
Account value	9,064	11,610
Net Amount at Risk	1,021	76
IFRS Reserves	1,335	403
Number of policies	173,806	239,510

1. End of period.

In the first six months of 2016, the result before tax of Japan Closed Block VA decreased to EUR -97 million from EUR 60 million in the same period of 2015. The first six months of 2016 included a hedge-related loss of EUR 103 million due to higher market volatility and a technical provision increase of EUR 16 million following the refinement of lapse assumptions on the portfolio, while the first six months of 2015 benefited from a EUR 12 million reserve release from higher lapse assumptions of out-of-the-money policies.

The operating result of Japan Closed Block VA was EUR 16 million compared with EUR 36 million in the first six months of 2015. Excluding currency effects, the operating result decreased by 58.1%, mainly driven by lower fees and premium-based revenues.

Fees and premium-based revenues were EUR 29 million compared with EUR 52 million in the first six months of 2015. Excluding currency effects, fees and premium-based revenues decreased by 47.5% largely due to a lower account value, reflecting a decreasing number of policies.

Administrative expenses decreased to EUR 8 million from EUR 10 million in the first six months of 2015.

Market and other impacts were EUR -113 million compared with EUR 24 million in the first six months of 2015, reflecting a hedge-related loss of EUR 103 million due to the impact of higher global market volatility. The first six months of 2015 also included a EUR 12 million reserve release for higher lapse assumptions of out-of-the money policies.

The Net Amount at Risk in the Japan Closed Block VA increased to EUR 1,021 million from EUR 203 million at the end of 2015, primarily as a result of equity markets depreciation.

Balance Sheet

Total assets of NN Group increased by EUR 15.7 billion to EUR 177.9 billion at 30 June 2016, mainly driven by higher market values as long-term interest rates decreased and currency impacts.

Cash and cash equivalents

Cash and cash equivalents increased by EUR 2.5 billion to EUR 9.9 billion. The increase reflects mainly an increase in cash collateral related to non-trading derivatives to EUR 3.5 billion in the first six months of 2016.

Investments for risk of policyholders

Investments for risk of policyholders decreased by EUR 3.5 billion to EUR 31.6 billion reflecting asset transfers from the separate account to the general account at Netherlands Life and the lower account value due to the portfolio run-off at Japan Closed Block VA and currency impacts. These changes are mirrored in the Provision for risk of policyholders on the liability side of the balance sheet.

Non-trading derivatives

Non-trading derivatives increased by EUR 2.6 billion to EUR 7.3 billion, reflecting positive revaluations on interest rate swaps as interest rates declined in the first six months of 2016 and currency impacts.

Debt securities

Debt securities increased by EUR 9.1 billion to EUR 76.7 billion mainly driven by EUR 6.9 billion higher market values as long-term interest rates decreased in the first six months of 2016 and currency impacts.

Loans

Loans increased by EUR 2.6 billion to EUR 33.6 billion reflecting an increase in the Dutch mortgages portfolio and deposits.

Assets and Liabilities held for sale

Assets and Liabilities held for sale reflect the balance sheet items of Mandema & Partners following the announced sale and the balance sheet items of NN Re (Ireland) Ltd. which expects to sign a portfolio transfer agreement for an investment contract and the related available-for-sale investments in the second half of 2016.

Shareholders' equity

Shareholders' equity increased by EUR 4.8 billion to EUR 25.3 billion at 30 June 2016, reflecting a EUR 5.4 billion increase in the Available-for-sale debt securities revaluation reserves, an EUR 1.4 billion increase in the cash flow hedge reserve and the net result for the first six months of 2016 of EUR 0.6 billion. This was partially offset by EUR 2.0 billion deferred interest crediting to life policyholders, EUR 0.3 billion impact from share buybacks and the payment of the 2015 final dividend of EUR 0.2 billion.

Other borrowed funds

Other borrowed funds increased by EUR 1.4 billion following the completion of a residential mortgage backed securitisation transaction (RMBS) by NN Bank during the second quarter and higher collateral related to non-trading derivatives.

Insurance and investments contracts

Life insurance provisions increased by EUR 8.5 billion, mainly due to the transfer of insurance liabilities from the separate account to the general account at Netherlands Life. Currency impacts and higher deferred profit sharing to policyholders following the increase of the debt securities revaluation reserve and cash flow hedge reserve also contributed to the increase. The provision for risk of policyholders decreased by EUR 3.5 billion reflecting the aforementioned asset transfers from the separate account to the general account, separate account exits and the portfolio run-off at Japan Closed Block VA.

Capital Management

Solvency II

amounts in millions of euros	30 June 2016	31 December 2015
Basic Own Funds	15,912	14,809
Non-available Own Funds	1,436	1,271
Non-eligible Own Funds		197
Eligible Own Funds (a)	**14,476**	**13,341**
of which Tier 1 Unrestricted	10,174	8,484
of which Tier 1 Restricted	1,983	1,844
of which Tier 2	1,039	1,061
of which Tier 3	273	735
of which non-solvency II regulated entities	1,007	1,217
Solvency Capital Requirements (b)	**5,735**	**5,587**
of which non-solvency II regulated entities	455	684
NN Group Solvency II ratio (a/b) [1]	**252%**	**239%**

1 The solvency ratios are not final until filed with the regulators. The Solvency II ratio is based on the partial internal model.

In April 2016, the Dutch regulator DNB designated NN Group as a financial conglomerate (FICO) effective from 1 January 2016. As of that date NN Group N.V. qualifies as a mixed financial holding company and is subject to supplemental group supervision by DNB in accordance with the requirements of the EU's Financial Conglomerate Directive. As a result, DNB has required NN Group to deduct its participation in credit institutions from the NN Group Solvency II ratio. Accordingly, NN Group now excludes NN Bank from both Own funds and the Solvency Capital Requirement (SCR). The NN Group Solvency II ratio of 239% at the end of 2015 would have been 245% on a comparable basis.

The NN Group Solvency II ratio increased to 252% at 30 June 2016 from 239% of 2015 due to a decrease of credit spreads on highly rated government bonds. This was partly offset by the EUR 250 million share buyback in January 2016, the deduction of the EUR 500 million share buyback programme, and the 2016 interim dividend of approximately EUR 195 million.

Cash capital position at the holding company

amounts in millions of euros	30 June 2016	31 December 2015
Beginning of period	1,953	1,413
Cash divestment proceeds		1
Dividends from subsidiaries	922	1,548
Capital injections into subsidiaries	-8	-143
Other	-16	-40
Free cash flow to the holding	**897**	**1,366**
Acquisitions		-31
Capital flow from / (to) shareholders	-513	-792
Increase / (decrease) in debt and loans		-3
End of period	**2,337**	**1,953**

The cash capital position at the holding company increased to EUR 2,337 million at 30 June 2016 from EUR 1,953 million at the end of 2015. This increase reflects EUR 922 million of dividends received from all segments, partly offset by capital flows to shareholders of EUR 513 million representing the cash part of the 2015 final dividend (EUR 185 million), the amount of the EUR 250 million share buyback in January 2016 and the amount of shares repurchased in the second quarter of 2016 (EUR 78 million).

Financial leverage

amounts in millions of euros	30 June 2016	31 December 2015
Shareholders' equity	25,254	20,469
Adjustment for revaluation reserves	-11,715	-6,936
Goodwill	-260	-260
Minority interests	10	9
Capital base for financial leverage (a)	**13,290**	**13,283**
Undated subordinated notes	986	986
Subordinated debt	2,289	2,290
Total subordinated debt	3,275	3,276
Debt securities issued (financial leverage)	398	398
Financial leverage (b)	**3,673**	**3,674**
Debt securities issued (operational leverage)	199	199
Total debt	**3,872**	**3,873**
Financial leverage ratio (b/(a+b))	21.7%	21.7%
Fixed-cost coverage ratio	12.1x	13.1x

The financial leverage ratio of NN Group was stable at 21.7% at the end of the second quarter of 2016. The capital base for financial leverage was stable. The positive net result for the first six months of 2016 of EUR 605 million and positive currency impacts were offset by negative equity revaluations, the cash part of the 2015 final dividend (EUR 185 million), the share buyback in January 2016 of EUR 250 million and the amount of shares repurchased (EUR 78 million).

The fixed-cost coverage ratio decreased to 12.1x at 30 June 2016 (on a last 12-months basis) from 13.1x at the end of 2015 due to lower earnings.

Interim dividend

NN Group will pay a 2016 interim dividend of EUR 0.60 per ordinary share, or approximately EUR 195 million in total, calculated as 40% of the 2015 full year dividend per ordinary share. The 2016 interim dividend will be paid either in cash, after deduction of withholding tax if applicable, or ordinary shares from the share premium reserve at the election of the shareholder. To neutralise the dilutive effect of the stock dividend, NN Group will repurchase ordinary shares for an amount equivalent to the stock dividend. The NN Group ordinary shares will be quoted ex-dividend on 22 August 2016. The record date for the dividend will be 23 August 2016. The election period will run from 22 August up to and including 5 September 2016. The stock fraction for the stock dividend will be based on the volume weighted average price of NN Group ordinary shares on Euronext Amsterdam for the five trading days from 30 August through 5 September 2016. The dividend will be payable on 9 September 2016.

Share transactions

On 5 January 2016, ING Group announced the sale of 33 million shares of NN Group at a price of EUR 31.00 per share which settled on 8 January 2016. As part of this transaction, NN Group repurchased approximately 8 million shares from ING Group for an aggregate amount of EUR 250 million. The transaction further reduced ING Group's stake in NN Group to 16.2% of outstanding shares (net of treasury shares). NN Group funded the share repurchase from the cash capital position at the holding company.

In February 2016, ING Group exchanged the third and final tranche of EUR 337.5 million mandatory exchangeable subordinated notes into 6.9 million ordinary shares in NN Group and cash. The exchange was part of the anchor investment in NN Group by three Asian institutional investors - RRJ Capital, Temasek and SeaTown - as announced on 30 April 2014. The transaction reduced ING's remaining stake in NN Group from 16.2% to 14.1% of outstanding shares (net of treasury shares).

On 14 April 2016, ING Group announced the sale of 45.7 million shares of NN Group at a price of EUR 30.15 per share which settled on 19 April 2016. The transaction completed ING's divestment of NN Group. ING Group will continue to hold warrants that are exercisable for approximately 35 million ordinary shares of NN Group as specified in the warrant agreement dated 10 June 2014.

On 26 May 2016, NN Group announced an open market share buyback programme for an amount up to EUR 500 million over a period of 12 months commencing 1 June 2016.

In addition to this share buyback programme, NN Group intends to neutralise the dilutive effect of stock dividends. Following payment of the 2015 final dividend on 28 June 2016, NN Group will repurchase ordinary shares for an amount of EUR 156 million, equivalent to the value of the stock dividend. With respect to the 2016 interim dividend, NN Group will also repurchase ordinary shares for an amount equivalent to the value of the stock dividend which is payable on 9 September 2016.

These share buybacks will be executed under the programme by financial intermediaries by 31 May 2017. Shares for an amount of EUR 78 million were repurchased in the second quarter of 2016.

The share buyback programme is being executed within the limitations of the existing authority granted by the AGM on 2 June 2016 and is being performed in compliance with the safe harbour provisions for share buybacks. The shares will be repurchased at a price that does not exceed the last independent trade or the highest current independent bid on Euronext Amsterdam. NN Group intends to cancel all of the shares acquired under the programme.

NN Group reports on the progress of the share buyback programme on its corporate website on a weekly basis (www.nn-group.com/Investors.htm). The execution of the share buyback programme is subject to NN Group maintaining a robust capital position and overall financial flexibility. NN Group will continue to explore options for deploying excess capital for value creating corporate opportunities, in line with its dividend policy.

Share capital

On 30 June 2016, 7,808,135 NN Group treasury shares were cancelled, which were acquired as part of the sale of NN Group shares by ING Group in January 2016.

Credit ratings

On 3 June 2016, Standard & Poor's affirmed NN Group's A- credit rating with a stable outlook.

On 11 April 2016, Fitch Ratings assigned NN Group's core life insurance subsidiary NN Life, an Insurer Financial Strength (IFS) rating of 'A+'. Fitch also assigned NN Group a Long-term Issuer Default Rating (IDR) of 'A' and ratings on the Subordinated debt at 'BBB'. The outlooks on NN Group's Long-term IDRs and IFS ratings are stable. The Baa2 rating by Moody's is on an unsolicited basis as from 18 May 2016.

	Rating	Outlook
Standard & Poor's	A-	Stable
Fitch	A	Stable

Conformity statement

The Executive Board of NN Group N.V. is required to prepare the Interim report and Condensed consolidated interim accounts of NN Group N.V. for each financial period in accordance with applicable Dutch law and International Financial Reporting Standards that are endorsed by the European Union (IFRS-EU).

Conformity statement pursuant to section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht)

The Executive Board of NN Group N.V. is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and reasonable. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Executive Board of NN Group N.V., so that the timeliness, completeness and correctness of the external financial reporting are assured.

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act, each of the signatories hereby confirms that to the best of his knowledge:

- the NN Group N.V. Condensed consolidated interim accounts for the period ended 30 June 2016 give a true and fair view of the assets, liabilities, financial position and profit or loss of NN Group N.V. and the entities included in the consolidation taken as a whole; and
- the NN Group N.V. interim report for the period ended 30 June 2016 includes a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding NN Group N.V. and the entities included in the consolidation taken as a whole.

The Hague, 17 August 2016

Lard Friese

CEO, chairman of the Executive Board of NN Group N.V.

Delfin Rueda

CFO, member of the Executive Board of NN Group N.V.

Condensed consolidated balance sheet

Amounts in millions of euros, unless stated otherwise

Condensed consolidated balance sheet

As at

	notes	30 June 2016	31 December 2015
Assets			
Cash and cash equivalents		9,894	7,436
Financial assets at fair value through profit or loss:			
– investments for risk of policyholders		31,623	35,154
– non-trading derivatives		7,266	4,656
– designated as at fair value through profit or loss		1,321	443
Available-for-sale investments	2	83,273	74,393
Loans	3	33,649	31,013
Reinsurance contracts	9	258	236
Associates and joint ventures	4	2,450	2,197
Real estate investments		1,802	1,564
Property and equipment		83	86
Intangible assets	5	341	351
Deferred acquisition costs		1,696	1,531
Assets held for sale	6	985	
Other assets	7	3,215	3,092
Total assets		**177,856**	**162,152**
Equity			
Shareholders' equity (parent)		25,254	20,469
Minority interests		10	9
Undated subordinated notes		986	986
Total equity	8	**26,250**	**21,464**
Liabilities			
Subordinated debt		2,289	2,290
Debt securities issued		597	597
Other borrowed funds		8,198	6,785
Insurance and investment contracts	9	120,527	115,984
Customer deposits and other funds on deposit		9,257	8,034
Financial liabilities at fair value through profit or loss:			
– non-trading derivatives		2,557	1,701
Liabilities held for sale	6	726	
Other liabilities	10	7,455	5,297
Total liabilities		**151,606**	**140,688**
Total equity and liabilities		**177,856**	**162,152**

Condensed consolidated profit and loss account

Condensed consolidated profit and loss account

	notes	1 April to 30 June 2016		1 April to 30 June 2015		1 January to 30 June 2016		1 January to 30 June 2015	
Gross premium income			2,021		1,951		5,302		5,529
Investment income	11		1,120		1,027		2,078		2,099
Result on disposals of group companies									
– gross fee and commission income		231		262		466		518	
– fee and commission expenses		-84		-96		-169		-191	
Net fee and commission income:			147		166		297		327
Valuation results on non-trading derivatives			389		-330		819		-314
Foreign currency results and net trading income			-43		31		-28		91
Share of result from associates and joint ventures			68		56		148		106
Other income					10		7		19
Total income			**3,702**		**2,911**		**8,623**		**7,857**
– gross underwriting expenditure		2,531		21		6,605		6,661	
– investment result for risk of policyholders		115		1,803		46		-1,089	
– reinsurance recoveries		-28		-18		-45		-32	
Underwriting expenditure:	12		2,618		1,806		6,606		5,540
Intangible amortisation and other impairments			1		2		15		3
Staff expenses	13		290		284		591		581
Interest expenses			186		157		312		305
Other operating expenses			181		202		341		384
Total expenses			**3,276**		**2,451**		**7,865**		**6,813**
Result before tax			**426**		**460**		**758**		**1,044**
Taxation			91		52		153		142
Net result			**335**		**408**		**605**		**902**

Net result

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Net result attributable to				
Shareholders of the parent	335	392	605	877
Minority interests		16		25
Net result	**335**	**408**	**605**	**902**

Earnings per ordinary share

amounts in euros

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Earnings per ordinary share				
Basic earnings per ordinary share	1.01	1.13	1.81	2.50
Diluted earnings per ordinary share	1.00	1.12	1.81	2.49

Condensed consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Net result	**335**	**408**	**605**	**902**
- unrealised revaluations available-for-sale investments and other	2,285	-5,378	5,221	-1,366
- realised gains/losses transferred to the profit and loss account	-64	-51	-87	-222
- changes in cash flow hedge reserve	464	-1,438	1,426	-514
- deferred interest credited to policyholders	-723	2,328	-1,973	825
- share of other comprehensive income of associates and joint ventures	-1	-2		5
- exchange rate difference	183	-116	190	154
Items that may be reclassified subsequently to the profit and loss account:	2,144	-4,657	4,777	-1,118
- remeasurement of the net defined benefit asset/liability	-20	48	-41	26
- unrealised revaluations property in own use	-1	1	-3	
Items that will not be reclassified to the profit and loss account:	-21	49	-44	26
Total other comprehensive income	**2,123**	**-4,608**	**4,733**	**-1,092**
Total comprehensive income	**2,458**	**-4,200**	**5,338**	**-190**
Comprehensive income attributable to:				
Shareholders of the parent	2,457	-4,225	5,337	-226
Minority interests	1	25	1	36
Total comprehensive income	**2,458**	**-4,200**	**5,338**	**-190**

Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows

	1 January to 30 June 2016	1 January to 30 June 2015
Result before tax	758	1,044
Adjusted for:		
– depreciation	21	25
– deferred acquisition costs and value of business acquired	-34	-50
– underwriting expenditure (change in insurance liabilities)	-219	-2,550
– other	-949	-17
Taxation paid	-85	-84
Changes in:		
– trading assets		14
– non-trading derivatives	-134	1,153
– other financial assets at fair value through profit or loss	-824	24
– loans	-1,005	-992
– other assets	8	226
– customer deposits and other funds on deposit	1,224	996
– financial liabilities at fair value through profit or loss – non-trading derivatives	951	-892
– other liabilities	-255	-652
Net cash flow from operating activities	**-543**	**-1,755**
Investments and advances:		
– associates and joint ventures	-156	-49
– available-for-sale investments	-5,193	-5,531
– real estate investments	-202	-107
– property and equipment	-11	-30
– investments for risk of policyholders	-3,043	-2,826
– other investments	-905	-11
Disposals and redemptions:		
– associates and joint ventures	236	67
– available-for-sale investments	3,524	3,586
– property and equipment		2
– investments for risk of policyholders	8,030	8,758
– other investments		361
Net cash flow from investing activities	**2,280**	**4,220**
Proceeds from other borrowed funds and debt securities issued	6,992	6,812
Repayments of other borrowed funds and debt securities issued	-5,527	-7,575
Capital contribution		57
Dividend paid	-185	-160
Purchase/sale of treasury shares	-317	-402
Net cash flow from financing activities	**963**	**-1,268**
Net cash flow	**2,700**	**1,197**

Cash and cash equivalents

	1 January to 30 June 2016	1 January to 30 June 2015
Cash and cash equivalents at beginning of the period	7,436	7,530
Net cash flow	2,700	1,197
Effect of exchange rate changes on cash and cash equivalents	-227	15
Cash and cash equivalents at end of the period	**9,909**	**8,742**
Cash and cash equivalents comprises the following items:		
Cash and cash equivalents	9,894	8,742
Cash and cash equivalents as Assets held for sale	15	
Cash and cash equivalents at end of the period	**9,909**	**8,742**

Condensed consolidated statement of changes in equity

Condensed consolidated statement of changes in equity (2016)

	Share capital	Share premium	Reserves	Total Share-holders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance as at 1 January 2016	**40**	**12,153**	**8,276**	**20,469**	**9**	**986**	**21,464**
Unrealised revaluations available-for-sale investments and other			5,221	5,221			5,221
Realised gains/losses transferred to the profit and loss account			-87	-87			-87
Changes in cash flow hedge reserve			1,426	1,426			1,426
Deferred interest credited to policyholders			-1,973	-1,973			-1,973
Exchange rate differences			189	189	1		190
Remeasurement of the net defined benefit asset/liability			-41	-41			-41
Unrealised revaluations property in own use			-3	-3			-3
Total amount recognised directly in equity (Other comprehensive income)			**4,732**	**4,732**	**1**		**4,733**
Net result for the period			605	605			605
Total comprehensive income			**5,337**	**5,337**	**1**		**5,338**
Dividend			-185	-185			-185
Purchase/sale of treasury shares			-317	-317			-317
Employee stock option and share plans			-16	-16			-16
Coupon on undated subordinated notes			-34	-34			-34
Balance as at 30 June 2016	**40**	**12,153**	**13,061**	**25,254**	**10**	**986**	**26,250**

Condensed consolidated statement of changes in equity — continued

Condensed consolidated statement of changes in equity (2015)

	Share capital	Share premium	Reserves	Total Share-holders' equity (parent)	Minority interest	Undated subordinated notes	Total equity
Balance as at 1 January 2015	**42**	**12,098**	**8,215**	**20,355**	**76**	**986**	**21,417**
Unrealised revaluations available-for-sale investments and other			-1,366	-1,366			-1,366
Realised gains/losses transferred to the profit and loss account			-222	-222			-222
Changes in cash flow hedge reserve			-514	-514			-514
Deferred interest credited to policyholders			825	825			825
Share of other comprehensive income of associates and joint ventures			5	5			5
Exchange rate differences			143	143	11		154
Remeasurement of the net defined benefit asset/liability			26	26			26
Total amount recognised directly in equity (Other comprehensive income)			**-1,103**	**-1,103**	**11**		**-1,092**
Net result for the period			877	877	25		902
Total comprehensive income			**-226**	**-226**	**36**		**-190**
Capital contribution		57		57			57
Dividend			-140	-140	-20		-160
Purchase/sale of treasury shares			-402	-402			-402
Employee stock option and share plans			-8	-8			-8
Coupon on undated subordinated notes			-34	-34			-34
Balance as at 30 June 2015	**42**	**12,155**	**7,405**	**19,602**	**92**	**986**	**20,680**

Notes to the Condensed consolidated interim accounts

1 Accounting policies

These Condensed consolidated interim accounts of NN Group N.V. (NN Group) have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'. The accounting principles used to prepare these Condensed consolidated interim accounts comply with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and are consistent with those set out in the notes to the 2015 NN Group Consolidated annual accounts.

These Condensed consolidated interim accounts should be read in conjunction with the 2015 NN Group Consolidated annual accounts.

IFRS-EU provides a number of options in accounting policies. NN Group's accounting policies under IFRS-EU and its decision on the options available are set out in Note 1 'Accounting policies' of the 2015 NN Group Consolidated annual accounts.

Certain amounts recorded in the Condensed consolidated interim accounts reflect estimates and assumptions made by management. Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

The presentation of and certain terms used in these Condensed consolidated interim accounts has been changed to provide additional and more relevant information or (for changes in comparative information) to better align with the current period presentation. The impact of these changes is explained in the relevant notes when significant.

Reference is made to the 2015 NN Group Consolidated annual accounts for more details on upcoming changes in accounting policies.

2 Available-for-sale investments

Available-for-sale investments

	30 June 2016	31 December 2015
Equity securities:		
– shares in NN Group managed investment funds	2,261	2,094
– shares in third-party managed investment funds	1,283	1,539
– other	3,051	3,207
Equity securities	**6,595**	**6,840**
Debt securities	76,678	67,553
Available-for-sale investments	**83,273**	**74,393**

NN Group's total exposure to debt securities is included in the following balance sheet lines:

Total exposure to debt securities

	30 June 2016	31 December 2015
Available-for-sale investments	76,678	67,553
Loans	2,200	2,620
Available-for-sale investments and Loans	**78,878**	**70,173**
Investments for risk of policyholders	1,324	1,369
Designated as at fair value through profit or loss	805	204
Financial assets at fair value through profit or loss	**2,129**	**1,573**
Debt securities	**81,007**	**71,746**

NN Group's total exposure to debt securities included in Available-for-sale investments and Loans of EUR 78,878 million (2015: EUR 70,173 million) is specified as follows by type of exposure:

Debt securities by type

	Available-for-sale investments 30 June 2016	31 December 2015	Loans 30 June 2016	31 December 2015	Total 30 June 2016	31 December 2015
Government bonds	61,331	53,936			61,331	53,936
Covered bonds	408	450			408	450
Corporate bonds	9,556	8,817			9,556	8,817
Financial institution bonds	4,247	3,602			4,247	3,602
Bond portfolio (excluding ABS)	**75,542**	**66,805**			**75,542**	**66,805**
US RMBS	192	192			192	192
Non-US RMBS	798	385	1,750	1,866	2,548	2,251
CDO/CLO	35	36	13	22	48	58
Other ABS	111	132	437	732	548	864
CMBS		3				3
ABS portfolio	**1,136**	**748**	**2,200**	**2,620**	**3,336**	**3,368**
Debt securities – Available-for-sale investments and Loans	**76,678**	**67,553**	**2,200**	**2,620**	**78,878**	**70,173**

Reclassifications to Loans (2009)

As per reclassification date	**Q2 2009**
Fair value	6,135
Range of effective interest rates	1.4%-24.8%
Expected recoverable cash flows	7,118
Unrealised fair value losses in Shareholders' equity (before tax)	-896
Recognised fair value gains/losses in Shareholders' equity (before tax) between the beginning of the year in which the reclassification occurred and the reclassification date	173
Recognised fair value gains/losses in Shareholders' equity (before tax) in the year prior to reclassification	-971
Impairments (before tax) between the beginning of the year in which the reclassification occurred and the reclassification date	nil
Impairment (before tax) in the year prior to reclassification	nil

Years after reclassification	**30 June 2016**	**31 December 2015**	**31 December 2014**	**31 December 2013**	**31 December 2012**	**31 December 2011**	**31 December 2010**	**31 December 2009**
Carrying value	428	533	809	1,098	1,694	3,057	4,465	5,550
Fair value	545	676	984	1,108	1,667	2,883	4,594	5,871
Unrealised fair value gains/losses in Shareholders' equity (before tax)	-185	-203	-213	-111	-186	-307	-491	-734
Effect on Shareholders' equity (before tax) if reclassification had not been made	117	143	175	10	-27	-174	129	321
Effect on result (before tax) if reclassification had not been made	nil	nil	nil	nil	nil	nil	nil	nil
Effect on result (before tax) after the reclassification (mainly interest income)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	121
Effect on result (before tax) for the year (interest income and sales results)	1	1	-2	-10	-47	90	89	n.a.
Impairments (before tax)	nil	nil	nil	nil	nil	nil	nil	nil
Provisions for credit losses (before tax)	nil	nil	nil	nil	nil	nil	nil	nil

Reclassifications out of Available-for-sale investments to Loans are allowed under IFRS-EU as of the third quarter of 2008. In the second quarter of 2009 NN Group reclassified certain financial assets from Available-for-sale investments to Loans. NN Group identified assets, eligible for reclassification, for which at the reclassification date it had the intention to hold for the foreseeable future. The table above provides information on this reclassification made in the second quarter of 2009. Information is provided for this reclassification as at the date of reclassification and as at the end of the subsequent reporting periods. This information is disclosed under IFRS-EU for as long as the reclassified assets continue to be recognised in the balance sheet.

3 Loans

Loans

	30 June 2016	31 December 2015
Loans secured by mortgages	24,253	22,398
Unsecured loans	4,784	4,438
Asset-backed securities	2,200	2,620
Deposits	1,319	432
Policy loans	260	236
Other	911	976
Loans-before Loan loss provisions	**33,727**	**31,100**
Loan loss provisions	-78	-87
Loans	**33,649**	**31,013**

Changes in Loan loss provisions

	30 June 2016	31 December 2015
Loan loss provisions – Opening balance	87	75
Write-offs	-9	-14
Increase in loan loss provisions	1	39
Changes in the composition of the group and other changes	-1	-13
Loan loss provisions – Closing balance	**78**	**87**

4 Associates and joint ventures

Associates and joint ventures

	Interest held	Balance sheet value	Interest held	Balance sheet value
		30 June 2016		31 December 2015
CBRE Dutch Office Fund FGR	27%	303	27%	293
CBRE Retail Property Fund Iberica LP	33%	205	31%	184
Parcom Investment Fund III B.V.	100%	188	100%	216
Parcom Investment Fund II B.V.	100%	185	100%	185
CBRE Dutch Retail Fund FGR	18%	181		
CBRE UK Property Fund	23%	179	23%	201
Parcom Buy Out Fund IV B.V.	100%	141	100%	145
CBRE Property Fund Central Europe LP	25%	124	25%	116
Allee center Kft	50%	101	50%	103
CBRE European Industrial Fund CV	20%	101	27%	101
Fiumaranuova s.r.l.	50%	93	50%	87
CBRE Dutch Retail fund II FGR	10%	80		
DPE Deutschland II B GmbH & Co KG	34%	72	34%	54
Parquest Capital B FCPI	40%	66	40%	62
SNC Le Havre Lafayette	50%	59	50%	58
CBRE Property Fund Central and Eastern Europe FGR	21%	51	21%	52
Delta Mainlog Holding GmbH & Co. KG	50%	50	50%	47
Other		271		293
Associates and joint ventures		**2,450**		**2,197**

Other represents associates and joint ventures with an individual balance sheet value of less than EUR 50 million.

5 Intangible assets

Intangible assets

	30 June 2016	31 December 2015
Value of business acquired	13	14
Goodwill	260	260
Software	54	59
Other	14	18
Intangible assets	**341**	**351**

6 Assets and liabilities held for sale

Assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This relates to businesses that are available for immediate sale in their present condition, for which management is committed to a sale and for which a sale is highly probable, i.e. expected to occur within one year. As at 30 June 2016 assets and liabilities held for sale relate to a portfolio of NN Re (Ireland) Ltd. and to Mandema & Partners. Classification as held for sale does not impact the comparative figures in the balance sheet. As both NN Re (Ireland) Ltd. and Mandema & Partners do not qualify as discontinued operations, there is no impact on the presentation of the profit and loss account.

In the second half of 2016, NN Re (Ireland) Ltd. expects to sign a portfolio transfer agreement for an investment contract and the related available-for-sale investments. The related assets and liabilities are presented as held for sale at 30 June 2016. As the investment contract and related investments are the only activity of NN Re (Ireland) Ltd., it intends to repatriate capital to NN Group after completion of the transfer. These transactions are expected to result in a net loss, which is expected to be immaterial and to be recognised in the second half of 2016. NN Re (Ireland) Ltd. is presented in the segment 'Other'.

For the agreed sale of Mandema & Partners reference is made to Note 18 'Companies and businesses acquired and divested.' Mandema & Partners is presented in the segment 'Netherlands Non-life'.

Assets held for sale relate mainly to Available for sale investments. Liabilities held for sale relate mainly to Insurance and investment contracts.

7 Other assets

Other assets

	30 June 2016	31 December 2015
Insurance and reinsurance receivables	555	391
Deferred tax assets	39	44
Property obtained from foreclosures	1	4
Income tax receivable	68	58
Accrued interest and rents	1,323	1,620
Other accrued assets	719	542
Other	510	433
Other assets	**3,215**	**3,092**

8 Equity

Total equity

	30 June 2016	31 December 2015
Share capital	40	40
Share premium	12,153	12,153
Revaluation reserve	12,882	8,321
Currency translation reserve	196	-24
Net defined benefit asset/liability remeasurement reserve	-131	-90
Other reserves	114	69
Shareholders' equity (parent)	**25,254**	**20,469**
Minority interests	10	9
Undated subordinated notes	986	986
Total equity	**26,250**	**21,464**

Changes in equity (2016)

	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Equity – Opening balance	40	12,153	8,276	20,469
Net result for the period			605	605
Total amount recognised directly in equity (Other comprehensive income)			4,732	4,732
Dividend			-185	-185
Purchase/sale of treasury shares			-317	-317
Employee stock option and share plans			-16	-16
Coupon on undated subordinated notes			-34	-34
Equity – Closing balance	**40**	**12,153**	**13,061**	**25,254**

Changes in equity (2015)

	Share capital	Share premium	Reserves	Total shareholders' equity (parent)
Equity – Opening balance	42	12,098	8,215	20,355
Net result for the period			1,565	1,565
Total amount recognised directly in equity (Other comprehensive income)			-622	-622
Changes in share capital	-2	-2	4	0
Capital contribution		57		57
Dividend			-251	-251
Purchase/sale of treasury shares			-597	-597
Employee stock option and share plans			5	5
Coupon on undated subordinated notes			-34	-34
Changes in the composition of the group and other changes			-9	-9
Equity – Closing balance	**40**	**12,153**	**8,276**	**20,469**

Dividend

Final dividend 2015

On 2 June 2016, the General Meeting of Shareholders adopted the proposed 2015 final dividend of EUR 1.05 per ordinary share, which represents a total amount of EUR 341 million. This dividend was paid on 28 June 2016 either in cash or in ordinary shares at the election of the shareholder. As a result, an amount of EUR 185 million was distributed out of Other reserves (cash dividend) and 6,020,620 ordinary shares, with a par value of EUR 0.12 per share, were issued (EUR 156 million stock dividend). On 7 September 2015, an interim dividend of EUR 0.46 per ordinary share was paid, resulting in a total dividend for 2015 of EUR 1.51 per ordinary share.

Interim dividend 2016

NN Group will pay a 2016 interim dividend of EUR 0.60 per ordinary share, or approximately EUR 195 million in total. The 2016 interim dividend will be paid either in cash or ordinary shares at the election of the shareholder. To neutralise the dilutive effect of the stock dividend, NN Group will repurchase ordinary shares for an amount equivalent to the stock dividend.

Purchase/sale of treasury shares

On 8 January 2016, NN Group repurchased 8,064,516 ordinary shares in NN Group ('Treasury shares') from ING Groep N.V. at a price of EUR 31.00 per share for an aggregate amount of EUR 250 million.

On 1 June 2016, NN Group commenced an open market share buyback programme for an amount of up to EUR 500 million. These shares are to be repurchased over a 12-month period. The share buyback has been deducted in full from Solvency II Own Funds in the second quarter of 2016 and is deducted from IFRS shareholders' equity when actual buyback transactions occur.

In order to neutralise the dilutive effect of the final 2015 stock dividend on earnings per ordinary share, NN Group repurchases ordinary shares for a total amount of EUR 156 million, equivalent to the value of the stock dividend. This share buyback is executed in conjunction with the open market share buyback programme.

During the second quarter of2016, 2,956,000 ordinary shares for a total amount of EUR 78 million have been repurchased.

The repurchased shares are held by NN Group and the amount has been deducted from Other reserves ('Purchase/sale of treasury shares'). On 30 June 2016, NN Group cancelled 7,808,135 treasury shares. As at 30 June 2016, 3,690,859 treasury shares were held by NN Group.

Coupon on undated subordinated notes

The undated subordinated notes have an optional annual coupon payment on 15 July. Following the payment of dividend and repurchase of ordinary shares in the first six months of 2016, the payment of the annual coupon on 15 July 2016 became mandatory and is recognised as a liability at 30 June 2016. As a result, EUR 34 million (net of tax) was deducted from equity.

9 Insurance and investment contracts, reinsurance contracts

Insurance and investment contracts, reinsurance contracts

	Liabilities net of reinsurance		Reinsurance contracts		Insurance and investment contracts	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Life insurance liabilities excluding liabilities for risk of policyholders	84,198	75,713	127	114	84,325	75,827
Liabilities for life insurance for risk of policyholders	30,129	33,580	45	47	30,174	33,627
Life insurance liabilities	**114,327**	**109,293**	**172**	**161**	**114,499**	**109,454**
Liabilities for unearned premiums and unexpired risks	490	263	12	2	502	265
Claims liabilities	3,188	3,171	74	73	3,262	3,244
Insurance liabilities	**118,005**	**112,727**	**258**	**236**	**118,263**	**112,963**
Investment contracts liabilities	2,264	3,021			2,264	3,021
Insurance and investment contracts, reinsurance contracts	**120,269**	**115,748**	**258**	**236**	**120,527**	**115,984**

The 'Liabilities for insurance and investment contracts' is presented gross in the balance sheet as 'Insurance and investment contracts'. The related reinsurance is presented as 'Reinsurance contracts' under Assets in the balance sheet.

10 Other liabilities

Other liabilities

	30 June 2016	31 December 2015
Deferred tax liabilities	3,893	2,101
Income tax payable	18	11
Net defined benefit liability	155	96
Other post-employment benefits	35	36
Other staff-related liabilities	120	140
Other taxation and social security contributions	90	144
Deposits from reinsurers	104	102
Accrued interest	373	519
Costs payable	172	187
Amounts payable to policyholders	636	564
Reorganisation provisions	54	67
Other provisions	58	56
Amounts to be settled	1,144	813
Other	603	461
Other liabilities	**7,455**	**5,297**

11 Investment income

Investment income

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Interest income from investments in debt securities	428	447	836	878
Interest income from loans:				
– unsecured loans	33	31	62	70
– mortgage loans	263	229	515	447
– policy loans	2	2	4	4
– other	22	25	46	54
Interest income from investments in debt securities and loans	**748**	**734**	**1,463**	**1,453**
Realised gains/losses on disposal of Available-for-sale debt securities	72	47	96	54
Impairments of Available-for-sale debt securities	-3		-3	
Realised gains/losses and impairments of Available-for-sale debt securities	**69**	**47**	**93**	**54**
Realised gains/losses on disposal of Available-for-sale equity securities	22	52	51	224
Impairments of Available-for-sale equity securities	-6	-45	-31	-48
Realised gains/losses and impairments of Available-for-sale equity securities	**16**	**7**	**20**	**176**
Interest income on non-trading derivatives	160	131	261	261
Increase in loan loss provisions	1	-14	-1	-22
Income from real estate investments	25	19	45	37
Dividend income	93	97	164	127
Change in fair value of real estate investments	8	6	33	13
Investment income	**1,120**	**1,027**	**2,078**	**2,099**

Impairments on investments by segment

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Netherlands Life	-2	-42	-24	-45
Netherlands Non-life			-1	
Insurance Europe	-7	-3	-8	-3
Other			-1	
Impairments	**-9**	**-45**	**-34**	**-48**

12 Underwriting expenditure

Underwriting expenditure

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Gross underwriting expenditure:				
- before effect of investment result for risk of policyholder	2,646	1,824	6,651	5,572
- effect of investment result for risk of policyholder	-115	-1,803	-46	1,089
Gross underwriting expenditure	**2,531**	**21**	**6,605**	**6,661**
Investment result for risk of policyholders	115	1,803	46	-1,089
Reinsurance recoveries	-28	-18	-45	-32
Underwriting expenditure	**2,618**	**1,806**	**6,606**	**5,540**

The investment income and valuation results regarding investments for risk of policyholders is recognised in 'Underwriting expenditure'. As a result it is shown together with the equal amount of related change in insurance liabilities for risk of policyholders.

Underwriting expenditure by class

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Expenditure from life underwriting:				
– reinsurance and retrocession premiums	28	25	75	68
– gross benefits	2,678	3,489	5,437	6,952
– reinsurance recoveries	-24	-15	-39	-27
– change in life insurance liabilities	-467	-2,064	-185	-2,676
– costs of acquiring insurance business	119	115	258	244
– other underwriting expenditure	19	18	46	47
– profit sharing and rebates	3	6	10	9
Expenditure from life underwriting	**2,356**	**1,574**	**5,602**	**4,617**
Expenditure from non-life underwriting:				
– reinsurance and retrocession premiums	5	3	26	24
– gross claims	295	267	580	545
– reinsurance recoveries	-4	-3	-6	-5
– changes in the liabilities for unearned premiums	-99	-95	255	238
– changes in claims liabilities	-2	-5	18	-8
– costs of acquiring insurance business	66	64	129	128
– other underwriting expenditure	1	1	2	1
Expenditure from non-life underwriting	**262**	**232**	**1,004**	**923**
Underwriting expenditure	**2,618**	**1,806**	**6,606**	**5,540**

13 Staff expenses

Staff expenses

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Salaries	179	177	358	353
Pension costs	26	26	50	51
Social security costs	25	25	49	48
Share-based compensation arrangements	4	2	7	5
External staff costs	50	47	101	98
Education	3	3	6	6
Other staff costs	3	4	20	20
Staff expenses	**290**	**284**	**591**	**581**

14 Earnings per ordinary share

Earnings per ordinary share shows earnings per share amounts for profit or loss attributable to shareholders of the parent. Earnings per ordinary share is calculated on the basis of the weighted average number of ordinary shares outstanding. In calculating the weighted average number of ordinary shares outstanding, own shares held by group companies are deducted from the total number of ordinary shares in issue.

Earnings per ordinary share

	Amount (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	1 April to 30 June 2016	1 April to 30 June 2015	1 April to 30 June 2016	1 April to 30 June 2015	1 April to 30 June 2016	1 April to 30 June 2015
Net result	335	392				
Coupon on undated subordinated notes	-8	-8				
Basic earnings per ordinary share	**327**	**384**	**324.8**	**341.1**	**1.01**	**1.13**
Dilutive instruments:						
Warrants			0.0	0.0		
Share plans			0.8	1.3		
			0.8	**1.3**		
Diluted earnings per ordinary share	**327**	**384**	**325.6**	**342.4**	**1.00**	**1.12**

Earnings per ordinary share

	Amount (in millions of euros)		Weighted average number of ordinary shares (in millions)		Per ordinary share (in euros)	
	1 January to 30 June 2016	1 January to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Net result	605	877				
Coupon on undated subordinated notes	-17	-17				
Basic earnings per ordinary share	**588**	**860**	**325.0**	**343.7**	**1.81**	**2.50**
Dilutive instruments:						
Warrants			0.0	0.0		
Share plans			0.8	1.3		
			0.8	**1.3**		
Diluted earnings per ordinary share	**588**	**860**	**325.8**	**345.0**	**1.81**	**2.49**

Diluted earnings per share is calculated as if the share plans and warrants outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans and warrants was used to buy own shares against the average market price during the period.

15 Segments

The reporting segments for NN Group, based on the internal reporting structure, are as follows:

- Netherlands Life (Group life and individual life insurance products in the Netherlands)
- Netherlands Non-life (Non-life insurance in the Netherlands including disability and accident, fire, motor and transport insurance)
- Insurance Europe (Life insurance, pension products and to a small extent non-life insurance and retirement services in Central and Rest of Europe)
- Japan Life (Life insurance, primarily Corporate Owned Life Insurance (COLI) business)
- Asset Management (Asset management activities)
- Other (operating segments that have been aggregated due to their respective size; including banking activities in the Netherlands, reinsurance and items related to capital management and the corporate head office)
- Japan Closed Block VA (Closed block single premium variable annuity individual life insurance portfolio in Japan, including the internally reinsured minimum guarantee risk, which has been closed to new business and which is being managed in run-off)

The Executive Board and the Management Board set the performance targets and approve and monitor the budgets prepared by the reporting segments. The segments formulate strategic, commercial and financial policies in conformity with the strategy and performance targets set by the Executive Board and the Management Board.

The accounting policies of the segments are the same as those described in Note 1 'Accounting policies'. Transfer prices for inter-segment transactions are set at arm's length. Corporate expenses are allocated to segments based on time spent by head office personnel, the relative number of staff, or on the basis of income and/or assets of the segment. Intercompany loans that qualify as equity instruments under IFRS-EU are presented in the segment reporting as debt; related coupon payments are presented as income and expenses in the respective segments.

Operating result (before tax) is used by NN Group to evaluate the financial performance of its segments. Each segment's operating result is calculated by adjusting the reported result before tax for the following items:

- Non-operating items: related to (general account) investments that are held for own risk (net of policyholder profit sharing):
  - Capital gains/losses and impairments: realised gains and losses as well as impairments on financial assets that are classified as Available-for-sale and debt securities that are classified as loans. These investments include debt and equity securities (including fixed income and equity funds), private equity (< 20% ownership), real estate funds and loans quoted in active markets.
  - Revaluations: revaluations on assets marked-to-market through the Consolidated profit and loss account. These investments include private equity (associates), real estate (property and associates), derivatives unrelated to product hedging programmes (i.e. interest rate swaps, foreign exchange hedges) and direct equity hedges.
  - Market & other impacts: these impacts mainly comprise the change in the liability for guarantees on separate account pension contracts (net of hedging) in the Netherlands, the equity related and other deferred acquisition costs unlocking for Japan Closed Block VA as well as the accounting volatility related to the reinsurance of minimum guaranteed benefits of Japan Closed Block VA.
- Result on divestments: result before tax related to divested operations.
- Special items before tax: items of income or expenses that are significant and arise from events or transactions that are clearly distinct from the ordinary business activities and therefore are not expected to recur frequently or regularly. This includes restructuring expenses, rebranding costs, goodwill impairments, results related to early redemption of debt and gains/losses from employee pension plan amendments or curtailments.

The operating result for the life insurance business is analysed through a margin analysis, which includes the investment margin, fees and premium-based revenues and the technical margin. Disclosures on comparative years also reflect the impact of current year's divestments. Operating result as presented below is an Alternative Performance Measure (non-GAAP financial measure) and is not a measure of financial performance under IFRS-EU. Because it is not determined in accordance with IFRS-EU, operating result as presented by NN Group may not be comparable to other similarly titled measures of performance of other companies.

Segments (2016)

1 April to 30 June 2016	**Netherlands Life**	**Netherlands Non-life**	**Insurance Europe**	**Japan Life**	**Asset management**	**Other**	**Japan Closed Block VA**	**Total**
Investment margin	209		19	-7			-1	221
Fees and premium-based revenues	79		137	130	113		15	474
Technical margin	21		51	-9				63
Operating income non-modelled life business			1					1
Operating income	**309**		**208**	**115**	**113**		**14**	**759**
Administrative expenses	107		79	31	80		4	302
DAC amortisation and trail commissions	9		78	60			2	148
Expenses	**116**		**156**	**92**	**80**		**6**	**450**
Non-life operating result		19						19
Operating result Other						2		2
Operating result	**193**	**19**	**52**	**23**	**33**	**2**	**8**	**330**
Non-operating items:								
– gains/losses and impairments	91		-5	1		1		88
– revaluations	39	5	1	-3		-2		40
– market & other impacts	26		-2				-36	-12
Special items before tax	-1	-6	-6	-1	-1	-5		-20
Result before tax	**347**	**19**	**40**	**20**	**32**	**-3**	**-28**	**426**
Taxation	69	3	11	10	7	-2	-7	91
Net result	**278**	**15**	**29**	**10**	**24**	**-1**	**-21**	**335**

Special items in 2016 reflect disentanglement-related IT expenses in Belgium, expenses related to the rebranding of NN Group's subsidiaries and restructuring expenses related to the target to reduce the administrative expense base in the Netherlands.

The insurance liabilities are adequate at both the 90% and 50% confidence levels, both in aggregate for NN Group and for each of the segments. The insurance liabilities in the segments Netherlands Life and Japan Closed Block VA are approximately at the 90% confidence level.

Segments (2015)

1 April to 30 June 2015	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Asset management	Other	Japan Closed Block VA	Total
Investment margin	260		20	-4				276
Fees and premium-based revenues	81		135	114	129		25	484
Technical margin	105		51	-9				147
Operating income non-modelled life business			1					1
Operating income	**446**		**208**	**102**	**128**		**25**	**909**
Administrative expenses	104		75	27	90		5	302
DAC amortisation and trail commissions	10		78	50			3	141
Expenses	**114**		**154**	**77**	**90**		**8**	**443**
Non-life operating result		45	1					46
Operating result Other						-7		-7
Operating result	**332**	**45**	**55**	**25**	**38**	**-7**	**16**	**504**
Non-operating items:								
– gains/losses and impairments	37	1	6	1		1		46
– revaluations	63	4	1	-1		-1		67
– market & other impacts	-149						27	-122
Special items before tax	-1		-19	-5	-10			-35
Result before tax	**283**	**49**	**44**	**20**	**28**	**-7**	**43**	**460**
Taxation	19	9	11	3	8	-2	4	52
Minority interests	14		2					16
Net result	**250**	**41**	**31**	**17**	**20**	**-5**	**39**	**392**

Special items in 2015 reflect expenses related to the rebranding of NN Group's subsidiaries and restructuring expenses related to the target to reduce the administrative expense base in the Netherlands.

Segments (2016)

1 January to 30 June 2016	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Asset management	Other	Japan Closed Block VA	Total
Investment margin	400		34	-12			-1	420
Fees and premium-based revenues	176		271	306	224		29	1,006
Technical margin	30		93	-10				113
Operating income non-modelled life business			2					2
Operating income	**606**		**399**	**284**	**224**		**28**	**1,541**
Administrative expenses	216		157	55	162		8	598
DAC amortisation and trail commissions	21		157	139			4	321
Expenses	**237**		**314**	**194**	**162**		**12**	**919**
Non-life operating result		28	1					29
Operating result Other						-9		-9
Operating result	**369**	**28**	**86**	**90**	**62**	**-9**	**16**	**642**
Non-operating items:								
– gains/losses and impairments	96	23	-6	1		2		117
– revaluations	103	8	2	-4		-6		103
– market & other impacts	58		-3				-113	-59
Special items before tax	-2	-12	-22	-2	-3	-5		-46
Result before tax	**624**	**47**	**57**	**85**	**59**	**-17**	**-97**	**758**
Taxation	120	10	14	18	15	-1	-23	153
Net result	**504**	**38**	**43**	**67**	**44**	**-16**	**-74**	**605**

Segments (2015)

1 January to 30 June 2015	Netherlands Life	Netherlands Non-life	Insurance Europe	Japan Life	Asset management	Other	Japan Closed Block VA	Total
Investment margin	422		41	-5				458
Fees and premium-based revenues	196		267	274	254		52	1,042
Technical margin	108		96	-7				196
Operating income non-modelled life business			2					2
Operating income	**725**		**406**	**261**	**253**		**52**	**1,698**
Administrative expenses	215		152	51	179		10	608
DAC amortisation and trail commissions	26		161	113			6	306
Expenses	**241**		**313**	**165**	**179**		**16**	**914**
Non-life operating result		69	2					71
Operating result Other						-27		-27
Operating result	**484**	**69**	**95**	**96**	**74**	**-27**	**36**	**828**
Non-operating items:								
– gains/losses and impairments	178	4	20	4		11		218
– revaluations	130	9	3	-1				141
– market & other impacts	-111						24	-87
Special items before tax	-2	-1	-30	-7	-15			-55
Result before tax	**680**	**81**	**88**	**93**	**59**	**-17**	**60**	**1,044**
Taxation	75	15	22	16	16	-4	2	142
Minority interests	22		3					25
Net result	**583**	**66**	**63**	**77**	**43**	**-12**	**57**	**877**

16 Taxation

Taxation on components of other comprehensive income

	1 April to 30 June 2016	1 April to 30 June 2015	1 January to 30 June 2016	1 January to 30 June 2015
Unrealised revaluations property in own use			1	
Unrealised revaluations available-for-sale investments and other	-772	1,797	-1,814	607
Realised gains/losses transferred to the profit and loss account	21	9	26	14
Changes in cash flow hedge reserve	-154	480	-475	172
Deferred interest credited to policyholders	248	-795	673	-284
Remeasurement of the net defined benefit asset/liability	7	-16	14	-8
Income tax	**-650**	**1,475**	**-1,575**	**501**

17 Fair value of financial assets and liabilities

The following table presents the estimated fair value of NN Group's financial assets and liabilities. Certain balance sheet items are not included in the table, as they do not meet the definition of a financial asset or liability. The aggregation of the fair value presented below does not represent and should not be construed as representing, the underlying value of NN Group.

Fair value of financial assets and liabilities

	Estimated fair value		Balance sheet value	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Financial assets				
Cash and cash equivalents	9,894	7,436	9,894	7,436
Financial assets at fair value through profit or loss:				
– investments for risk of policyholders	31,623	35,154	31,623	35,154
– non-trading derivatives	7,266	4,656	7,266	4,656
– designated as at fair value through profit or loss	1,321	443	1,321	443
Available-for-sale investments	83,273	74,393	83,273	74,393
Loans	37,130	33,787	33,649	31,013
Other assets [1]	3,107	2,986	3,107	2,986
Financial assets	**173,614**	**158,855**	**170,133**	**156,081**
Financial liabilities				
Subordinated debt	2,365	2,383	2,289	2,290
Debt securities issued	619	589	597	597
Other borrowed funds	8,320	6,793	8,198	6,785
Investment contracts for risk of company	773	1,757	734	1,436
Investment contracts for risk of policyholders	1,530	1,585	1,530	1,585
Customer deposits and other funds on deposit	9,801	8,469	9,257	8,034
Financial liabilities at fair value through profit or loss:				
– non-trading derivatives	2,557	1,701	2,557	1,701
Other liabilities [2]	3,032	2,646	3,032	2,646
Financial liabilities	**28,997**	**25,923**	**28,194**	**25,074**

1. Other assets does not include (deferred) tax assets, net defined benefit assets and property obtained from foreclosures.
2. Other liabilities does not include (deferred) tax liabilities, net defined benefit liabilities, insurance liabilities, other provisions and other taxation and social security contributions.

The estimated fair value represents the price at which an orderly transaction to sell the financial asset or to transfer the financial liability would take place between market participants at the balance sheet date ('exit price'). The fair value of financial assets and liabilities is based on unadjusted quoted market prices, where available. Such quoted market prices are primarily obtained from exchange prices for listed instruments. Where an exchange price is not available market prices are obtained from independent market vendors, brokers or market makers. Because substantial trading markets do not exist for all financial instruments, various techniques have been developed to estimate the approximate fair value of financial assets and liabilities that are not actively traded. The fair value presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of the future fair value.

Further information on the methods and assumptions that were used by NN Group to estimate the fair value of the financial instruments and the sensitivities for changes in these assumptions is disclosed in Note 35 'Fair value of financial assets and liabilities' of the 2015 NN Group Consolidated annual accounts.

Financial assets and liabilities at fair value

The fair value of the financial instruments carried at fair value was determined as follows:

Methods applied in determining the fair value of financial assets and liabilities (2016)

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments for risk of policyholders	30,294	490	839	31,623
Non-trading derivatives	369	6,636	261	7,266
Financial assets designated as at fair value through profit or loss	426	869	26	1,321
Available-for-sale investments	63,911	17,992	1,370	83,273
Financial assets	**95,000**	**25,987**	**2,496**	**123,483**
Financial liabilities				
Investment contracts (for contracts at fair value)	1,496	34		1,530
Non-trading derivatives	57	2,236	264	2,557
Financial liabilities	**1,553**	**2,270**	**264**	**4,087**

Methods applied in determining the fair value of financial assets and liabilities (2015)

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments for risk of policyholders	31,644	2,697	813	35,154
Non-trading derivatives	234	4,214	208	4,656
Financial assets designated as at fair value through profit or loss	169	272	2	443
Available-for-sale investments	52,075	20,731	1,587	74,393
Financial assets	**84,122**	**27,914**	**2,610**	**114,646**
Financial liabilities				
Investment contracts (for contracts at fair value)	1,551	34		1,585
Non-trading derivatives	8	1,486	207	1,701
Financial liabilities	**1,559**	**1,520**	**207**	**3,286**

Level 1 – (Unadjusted) Quoted prices in active markets

This category includes financial instruments whose fair value is determined directly by reference to published quotes in an active market that NN Group can access. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide reliable pricing information on an ongoing basis.

Level 2 – Valuation technique supported by observable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model), where inputs in the model are taken from an active market or are observable. If certain inputs in the model are unobservable the instrument is still classified in this category, provided that the impact of those unobservable inputs elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are modified based on other market observable external data and items whose value is derived from quoted prices but for which there was insufficient evidence of an active market.

Level 3 – Valuation technique supported by unobservable inputs

This category includes financial instruments whose fair value is determined using a valuation technique (e.g. a model) for which more than an insignificant part of the inputs in terms of the overall valuation are not market observable. This category also includes financial assets and liabilities whose fair value is determined by reference to price quotes but for which the market is considered inactive. An instrument is classified in its entirety as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. Unobservable in this context means that there is little or no current market data available from which the price at which an orderly transaction would likely occur can be derived.

Changes in Level 3 Financial assets (2016)

	Trading assets	Investments for risk of policyholders	Non-trading derivatives	Financial assets designated as at fair value through profit or loss	Available-for-sale investments	Total
Level 3 Financial assets – Opening balance		813	208	2	1,587	2,610
Amounts recognised in the profit and loss account		22	53		-1	74
Revaluations recognised in Other comprehensive income (equity)					-53	-53
Purchase of assets		19		24	237	280
Sale of assets		-15			-10	-25
Maturity/settlement					-102	-102
Reclassification					-263	-263
Exchange rate differences					-25	-25
Level 3 Financial assets – Closing balance		**839**	**261**	**26**	**1,370**	**2,496**

Changes in Level 3 Financial assets (2015)

	Trading assets	Investments for risk of policyholders	Non-trading derivatives	Financial assets designated as at fair value through profit or loss	Available-for-sale investments	Total
Level 3 Financial assets – Opening balance	604	240			1,851	2,695
Amounts recognised in the profit and loss account	-22	-7	-3		11	-21
Revaluations recognised in Other comprehensive income (equity)					57	57
Purchase of assets	17	70	168		293	548
Sale of assets	-165	-241			-353	-759
Maturity/settlement					-64	-64
Reclassification	-2			2		0
Transfers into Level 3	14	747	43			804
Transfers out of Level 3					-177	-177
Changes in the composition of the group	-446				-39	-485
Exchange rate differences		4			8	12
Level 3 Financial assets – Closing balance	**0**	**813**	**208**	**2**	**1,587**	**2,610**

Transfers into Level 3

The transfers into Level 3 mainly reflect an improved fair value measurement of certain investments for risk of policyholders, resulting in classification as Level 3 instead of Level 2. The (changes in) fair value of these investments have no net impact on profit or loss or shareholders' equity as these are offset by (changes in) liabilities for Insurance and investment contracts.

Changes in Level 3 Financial liabilities (2016)

30 June 2016	Non-trading derivatives
Level 3 Financial liabilities – Opening balance	207
Amounts recognised in the profit and loss account	57
Level 3 Financial liabilities – Closing balance	**264**

Changes in Level 3 Financial liabilities (2015)

31 December 2015	Non-trading derivatives
Level 3 Financial liabilities – Opening balance	
Purchase of assets	167
Transfers into Level 3	40
Level 3 Financial liabilities – Closing balance	**207**

Level 3 – Amounts recognised in the profit and loss account

30 June 2016	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Investments for risk of policyholders	22		22
Non-trading derivatives	53		53
Available-for-sale investments	-1		-1
Financial assets	**74**		**74**
Financial liabilities			
Non-trading derivatives	57		57
Financial liabilities	**57**		**57**

Level 3 – Amounts recognised in the profit and loss account

31 December 2015	Held at balance sheet date	Derecognised during the period	Total
Financial assets			
Trading assets		-22	-22
Investments for risk of policyholders	-7		-7
Non-trading derivatives	-3		-3
Available-for-sale investments	-7	18	11
Financial assets	**-17**	**-4**	**-21**

18 Companies and businesses acquired and divested

Acquisitions (2016)

Notus Financial Advisors, Poland

In May 2016 NN Group announced that it had reached an agreement to acquire 100% of the shares of Dom Kredytowy Notus S.A. ('Notus'). Notus is a leading financial broker in Poland, offering mortgage loans, insurance, investment and savings products. The transaction is not expected to have a material impact on the capital position and operating result of NN Group. It is subject to regulatory approval and is expected to close in the second half of 2016.

Divestments (2016)

Mandema & Partners

In July 2016, NN Group announced that it had reached an agreement to sell its 100% subsidiary, Mandema & Partners, to Van Lanschot Chabot. The transaction is not expected to have a significant impact on the capital position and operating result of NN Group. The transaction is subject to regulatory approval and is expected to close in the fourth quarter of 2016.

Acquisitions (2015)

Polish pension fund

During the first six months of 2015, NN Group reached an agreement with ING Bank Slaski to acquire the remaining 20% stake in the Polish pension fund, NN Powszechne Towarzystwo Emerytalne S.A. (NN PTE) in which NN Group held 80% of the shares. In July 2015 NN Group completed the acquisition of the remaining stake for a consideration of PLN 128 million (approximately EUR 31 million). The consideration reflects a purchase price of PLN 210 million adjusted by a PLN 82 million dividend paid by NN PTE to ING Bank Slaski prior to completion. NN PTE manages the second pillar open-ended pension fund and the open-ended third-pillar voluntary pension fund.

Divestments (2015)

Parcom Capital Management

In December 2015, NN Group completed the sale of its wholly owned private equity management company, Parcom Capital Management. The divestment result on the sale of Parcom Capital Management is included in 'Results on disposals of group companies'. As a consequence of the sale of the asset management company, NN Group no longer has control over its investments in private equity funds, which are managed by Parcom Capital Management. These private equity funds were previously consolidated and the underlying investments were included in the Consolidated balance sheet in Trading assets and Available-for-sale investments. As a consequence of the divestment of Parcom Capital Management, these underlying investments were derecognised and the investments in the private equity funds are now included in the balance sheet under Associates and Joint ventures.

19 Other events

Unit-linked products in the Netherlands

Nationale-Nederlanden continues to reach out to customers to encourage them to carefully assess their unit-linked products in order to find an appropriate solution on an individual basis, where needed. On 29 March 2016 KiFiD issued its final ruling (in first instance) related to a unit-linked product in an individual case in which the complainant is assisted by a consumer claims association. KiFiD concluded, among other things, that there is no contractual basis for charging initial costs and that an insurer is obliged to warn against the leverage and capital consumption effect. Nationale-Nederlanden believes that the KiFiD has incorrectly applied the ruling of the European Court of Justice of 29 April 2015 and is appealing the KiFiD ruling with the Appeals Committee of the KiFiD. Dutch courts and KiFiD will continue to provide an interpretation of the ruling of the European Court of Justice with respect to information provision requirements related to unit-linked products in proceedings against Nationale-Nederlanden and other Dutch insurance companies. The KiFiD ruling does not change earlier statements and conclusions disclosed by NN Group in relation to unit-linked products.

Insurance business in South Korea

Arbitration proceedings that were initiated in 2014 by the purchaser of NN Group's former insurance subsidiary in South Korea alleging that the financial condition of this subsidiary was not accurately depicted, are ongoing. At this stage the financial impact of these proceedings, if any, remains uncertain.

20 Capital management

Solvency II Capital ratio

amounts in millions of euros

	30 June 2016	**31 December 2015**
Basic Own Funds	15,912	14,809
Non-available Own Funds	1,436	1,271
Non-eligible Own Funds		197
Eligible Own Funds (a)	**14,476**	**13,341**
of which Tier 1 Unrestricted	10,174	8,484
of which Tier 1 Restricted	1,983	1,844
of which Tier 2	1,039	1,061
of which Tier 3	273	735
of which non-solvency II regulated entities	1,007	1,217
Solvency Capital Requirements (b)	**5,735**	**5,587**
of which non-solvency II regulated entities	455	684
NN Group Solvency II ratio (a/b) [1]	**252%**	**239%**

1. The solvency ratios are not final until filed with the regulators. The Solvency II ratio is based on the partial internal model.

On 19 April, the Dutch regulator DNB designated NN Group as a financial conglomerate (FICO) effective from 1 January 2016. As of that date NN Group N.V. qualifies as a mixed financial holding company and is subject to supplemental group supervision by DNB in accordance with the requirements of the EU's Financial Conglomerate Directive. As a result, DNB has required NN Group to deduct its participation in credit institutions from the NN Group Solvency II ratio. Accordingly, NN Group now excludes NN Bank from both Own funds and the Solvency Capital Requirement (SCR). The NN Group Solvency II ratio of 239% at the end of the fourth quarter of 2015 would have been 245% on a comparable basis.

The NN Group Solvency II ratio increased to 252% at 30 June 2016 from 239% of 2015 due to a decrease of credit spreads on highly rated government bonds. This was partly offset by the EUR 250 million share buyback in January 2016, the deduction of the EUR 500 million share buyback programme, and the 2016 interim dividend of approximately EUR 195 million.

Authorisation of the Condensed consolidated interim accounts

The Hague, 17 August 2016

The Supervisory Board

J.H. (Jan) Holsboer, chair
D.H. (Dick) Harryvan, vice-chair
H.J.G. (Heijo) Hauser
R.W. (Robert) Jenkins
Y.C.M.T. (Yvonne) van Rooij
J.W. (Hans) Schoen
H.M. (Hélène) Vletter-van Dort

The Executive Board

E. (Lard) Friese, CEO, chair
D. (Delfin) Rueda, CFO, vice-chair

Review report

To: the Shareholders and Supervisory Board of NN Group N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim accounts for the six-month period ended 30 June 2016 of NN Group N.V., The Hague, as included on page 19 to 42 of this report. These condensed consolidated interim accounts comprise the condensed consolidated balance sheet as at 30 June 2016 and the condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the notes for the six-month period then ended. Management of the Company is responsible for the preparation and presentation of the condensed consolidated interim accounts in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim accounts based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim accounts as at and for the six-month period ended 30 June 2016 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Amstelveen, 17 August 2016

KPMG Accountants N.V.

P.A.M. de Wit RA

This report is available as a pdf file on
www.nn-group.com

Contact us

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Commercial register of Amsterdam, no. 52387534

Important legal information

NN Group's Consolidated Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 on the Dutch Civil Code.

In preparing the financial information in this document, the same accounting principles are applied as in the 2015 NN Group Consolidated Annual Accounts.

All figures in this document are unaudited. Small differences are possible in the tables due to rounding. Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (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, (13) changes in the policies of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies and (18) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by NN Group.

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

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.