

NN Group posts strong 2Q15 results

Operating result significantly higher

- 2Q15 operating result ongoing business of EUR 488 million, up 90% from 2Q14, driven by improved results in all segments and supported by a private equity dividend and technical provision releases in the Netherlands
- Net result up 56% to EUR 392 million, reflecting the higher operating result
- Expense reduction target in the Netherlands essentially achieved, with EUR 198 million cumulative costs savings compared with 2013
- Capital position remained strong despite unfavourable market movements: IGD ratio at 306%; holding company cash capital increased to EUR 1.6 billion
- Interim dividend over the first half of 2015 of EUR 0.46 per ordinary share, or EUR 156 million in total
- New sales (APE) EUR 278 million, down 10% from 2Q14 at constant currencies, mainly in Netherlands Life
- AuM at Investment Management decreased from 1Q15 to EUR 184 billion due to higher interest rates

Statement of Lard Friese, CEO

"Our second-quarter results were very strong and contributed to a good first half of the year. Overall operating result from the ongoing business was 90% higher, supported by several favourable items in the Netherlands, including a large private equity dividend. Even excluding these items, we saw healthy operating performance in all of our businesses, especially in Netherlands Life and Insurance Europe. With cumulative expense savings of EUR 198 million, we have essentially achieved our overall cost savings target of EUR 200 million in the Netherlands ahead of schedule. While we are pleased with another quarter of strong results, there is room for further improvement. We will continue to focus on efficiency, improving the combined ratio of our Non-life business, strengthening the capabilities of our asset manager and increasing the profitability of our international insurance businesses.

On 2 July, we celebrated the first anniversary of NN Group's listing on the Euronext Amsterdam stock exchange. In the first six months of this year, ING Group gradually sold down its stake in NN Group to 37.6% of outstanding shares. As part of ING's sell-down in May, we completed a EUR 150 million share buy-back in line with our policy to return excess capital to our shareholders, while preserving a robust capital position. We will distribute an interim dividend of EUR 0.46 per ordinary share. In line with our dividend policy, we intend to pay a full-year ordinary dividend in accordance with our medium-term financial performance, while envisaging a pay-out ratio of 40-50% of the net operating result from the ongoing business.

Across our businesses we continue our customer-focused strategy of providing transparent products and services through tailored multi-access distribution, and efficient and effective operations. In Japan, we are catering to the needs of SME business owners with a new protection product offering death or severe disability coverage up to the age of 90. In terms of distribution, we are making more of our services accessible to customers anywhere and anytime. For example, in Turkey we launched a new client portal that makes it easier for customers to conduct transactions online also via mobile devices. In the Netherlands, we launched our newly developed platform for our four core pension products, while improving efficiency. Our rebranding programme also gained momentum during the second quarter, media campaigns in various countries further raised awareness about our brand promise 'You matter'.

Going forward, we will continue to execute our strategy in order to achieve our financial objectives with a focus on capital generation and earnings improvement."

NN Group key figures

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|---|-------|------|--------|-------|------|--------|
| Operating result ongoing business | 488 | 257 | 89.9% | 792 | 551 | 43.7% |
| Net result | 392 | 252 | 55.9% | 877 | 37 | |
| Net operating ROE | 14.9% | 8.7% | | 11.8% | 9.3% | |
| IGD Solvency I ratio | 306% | 272% | | 306% | 272% | |
| New sales life insurance (APE) | 278 | 305 | -8.6% | 776 | 744 | 4.3% |
| Investment Management AuM (end of period, in EUR billion) | 184 | 177 | 4.2% | 184 | 177 | 4.2% |



Strategy and business highlights

NN Group's strategy is to deliver an excellent customer experience based on great service and long-term relationships. We aim to achieve this by offering transparent products and services that serve customers' lifetime needs. We do this by making our multi-access distribution network available to customers wherever and whenever they want, and by maintaining effective operations that deliver excellent customer service.

Netherlands Life

In the Netherlands Life segment, the focus is to reduce expenses and gradually shift to higher-yielding assets. Both of these priorities continued to deliver results in the second quarter. Another pillar of NN Life's strategy is to benefit from its strong position in the pension market and selectively capture growth opportunities. Pension communication and awareness are important for customers to secure their financial future. That is the idea behind the 'Pensioen Ophelder Service' which was launched in the second quarter. This service has been designed for people who have built up pension rights with multiple employers and provides insight in their pension. This information can help them decide whether transferring the money to the pension fund of a new employer would be beneficial or not. New sales declined this quarter, mainly due to lower group pension renewals and lower sales of pension contracts. Cost reductions continued this quarter contributing to achieving the cumulative cost savings target in the Netherlands.

Netherlands Non-life

Netherlands Non-life focuses on offering transparent products and services. Ongoing management actions to improve underwriting performance resulted in a higher operating result, especially in Motor. The product rating index Moneyview awarded the Nationale-Nederlanden Retail Home Insurance product five stars (the maximum) for its terms and conditions. This product includes a guarantee against underinsurance with few restrictions or exclusions, as well as comprehensive coverage during repairs, renovation or the construction of a home.

Insurance Europe

Insurance Europe is shifting its business mix towards protection products and repositioning its savings and retirement products in response to the low interest rate environment. In line with the aim to provide customers with easy access to NN's products and services, NN Hayat ve Emeklilik in Turkey launched a renewed client portal, as well as a new mobile branch app. NN Group has also started an international partnership with the non-profit organisation Junior Achievement Europe as part of our corporate citizenship programme, NN Future Matters. NN and JA Europe have joined forces to empower youth in the area of financial literacy, entrepreneurship and workforce readiness. In the second quarter Junior Achievement awarded NN Romania the title of 'Investor in Education' 2015.

Political and economic turbulence in Greece continues. NN Group is present in Greece through NN Hellas, which offers life and health insurance products. Given the situation, NN Hellas has been closely managing operations with a focus on continuing its service to customers. NN Group's direct exposure to Greek assets is limited in the context of the overall size of the Group.

Japan Life

Japan Life continued to execute its business diversification strategy in the second quarter of 2015. A new product called Smart Term, was added to the COLI protection product range. It provides death or severe disability cover for SME owners up to the age of 90. We also successfully expanded our bancassurance network, with six new banks distributing our COLI products.

Investment Management

Assets under Management decreased to EUR 184 billion, mainly due to negative market performance as a result of higher interest rates in the second quarter of 2015. Investment Management aims to grow its third-party business by following a tailored approach for each client segment. In target markets, Investment Management plans to protect and further expand its leading position and continues to develop a more distinct range of products, among which its sustainable product offering. Assets under Management in its sustainable equity and fixed income products stood at EUR 4.2 billion at the end of the second quarter of 2015. Furthermore, Investment Management



announced the launch of a sustainable emerging market loan fund in cooperation with Dutch development bank FMO.

NN Bank

NN Bank continued to expand its mortgage and customer savings activities. In line with its strategy, NN Bank's mortgage portfolio increased to EUR 9.5 billion from EUR 8.6 billion at the end of the first quarter. Customer deposits (internet savings and bank annuities) grew to EUR 8.0 billion at the end of the second quarter. NN Bank's phased-in Common Equity Tier 1 ratio increased to 14.2% at the end of the second quarter from 13.8% at the end of the first quarter. This increase reflects a capital injection of EUR 57 million by NN Group in NN Bank using the proceeds of a capital injection from ING Group to fulfill a commitment to the European Commission.

Solvency II

NN Group has applied for the usage of a Partial Internal Model for NN Group and the insurance entities in the Netherlands. The Solvency II capital ratio remains subject to significant uncertainties, including the final interpretations of the Solvency II regulations and the regulatory approval process.

Interim dividend

Effective from 2015, NN Group intends to pay interim dividends calculated at approximately 40% of the prior year's full year dividend, barring unforeseen circumstances. NN Group will pay a 2015 interim dividend of EUR 0.46 per ordinary share, or EUR 156 million in total based on the current number of outstanding shares (net of treasury shares). The 2015 interim dividend will be paid either in cash or ordinary shares from the share premium reserve at the election of the shareholder. To neutralise the dilutive effect of the newly issued shares for the stock dividend on earnings per ordinary share, NN Group will repurchase ordinary shares from ING Group equal to the number of shares that NN Group will issue as stock dividend at a price similar to the price used to calculate the stock fraction for the stock dividend. The NN Group ordinary shares will be quoted ex-dividend on 10 August 2015. The record date for the dividend will be 11 August 2015. The election period will run from 10 August up to and including 31 August 2015. 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 25 August through 31 August 2015. The dividend will be payable on 7 September 2015.

In line with its dividend policy, NN Group intends to pay an ordinary dividend in line with its medium term financial performance and envisages an ordinary dividend pay-out ratio of 40-50% of the net operating result from ongoing business.

Consolidated results

Consolidated profit and loss account NN Group

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|---|------------|------------|--------------|--------------|------------|--------------|
| Analysis of results | | | | | | |
| Netherlands Life | 332 | 153 | 116.5% | 484 | 306 | 58.1% |
| Netherlands Non-life | 45 | 39 | 15.0% | 69 | 61 | 12.9% |
| Insurance Europe | 55 | 44 | 24.1% | 95 | 90 | 6.0% |
| Japan Life | 25 | 24 | 2.6% | 96 | 90 | 6.6% |
| Investment Management | 38 | 38 | 1.3% | 74 | 77 | -3.2% |
| Other | -7 | -42 | | -27 | -73 | |
| Operating result ongoing business | 488 | 257 | 89.9% | 792 | 551 | 43.7% |
| Non-operating items ongoing business | -36 | 10 | -477.7% | 247 | -18 | |
| of which gains/losses and impairments | 46 | -51 | | 218 | -42 | |
| of which revaluations | 67 | 84 | -20.8% | 141 | 84 | 67.6% |
| of which market & other impacts | -149 | -24 | | -111 | -60 | |
| Japan Closed Block VA | 43 | 79 | -45.3% | 60 | 43 | 38.5% |
| Special items before tax | -35 | -25 | | -55 | -597 | |
| Result on divestments | 0 | 0 | | 0 | 56 | -100.6% |
| Result before tax from continuing operations | 460 | 320 | 43.7% | 1,044 | 36 | |
| Taxation | 52 | 68 | -24.0% | 142 | -15 | |
| Net result from continuing operations | 408 | 252 | 62.0% | 902 | 51 | |
| Net result from discontinued operations | 0 | -1 | | 0 | -13 | |
| Minority interests | 16 | -1 | | 25 | 1 | |
| Net result | 392 | 252 | 55.9% | 877 | 37 | |
| Net result per share in EUR ¹⁾ | 1.15 | | | | | |

Key Figures

| In EUR million | 2Q15 | 2Q14 | | 6M15 | 6M14 | |
|--|---------|---------|--------|---------|---------|--------|
| Ongoing business | | | | | | |
| Gross premium income | 1,948 | 1,977 | -1.5% | 5,524 | 5,466 | 1.1% |
| New sales life insurance (APE) | 278 | 305 | -8.6% | 776 | 744 | 4.3% |
| Value of new business ²⁾ | | | | 113 | 122 | -7.5% |
| Internal rate of return of new business ²⁾ | | | | 10.7% | 13.2% | |
| Total administrative expenses | 429 | 439 | -2.3% | 867 | 876 | -1.0% |
| Cost/income ratio (Administrative expenses/Operating income) | 30.7% | 37.0% | | 32.6% | 35.8% | |
| Combined ratio (Netherlands Non-life) ³⁾ | 99.7% | 98.5% | | 100.0% | 99.4% | |
| Investment Management Assets under Management ⁴⁾ | 184 | 177 | 4.2% | 184 | 177 | 4.2% |
| Life general account invested assets ⁴⁾ | 83 | 78 | 5.8% | 83 | 78 | 5.8% |
| Investment margin/Life general account invested assets (bps) ⁵⁾ | 104 | 89 | | | | |
| Total provisions for insurance & investment contracts ⁴⁾ | 105 | 100 | 5.0% | 105 | 100 | 5.0% |
| of which for risk policyholder ⁴⁾ | 26 | 24 | 4.8% | 26 | 24 | 4.8% |
| NN Life Solvency I ratio | 281% | 250% | | 281% | 250% | |
| Net operating result ⁶⁾ | 401 | 196 | 105.1% | 630 | 412 | 52.8% |
| Net operating ROE ⁷⁾ | 14.9% | 8.7% | | 11.8% | 9.3% | |
| Japan Closed Block VA | | | | | | |
| Account value | 11,610 | 14,425 | -19.5% | 11,610 | 14,425 | -19.5% |
| Number of policies | 239,510 | 330,203 | -27.5% | 239,510 | 330,203 | -27.5% |
| Total NN Group | | | | | | |
| IGD Solvency I ratio | 306% | 272% | | 306% | 272% | |
| Total assets ⁴⁾ | 162 | 154 | 4.9% | 162 | 154 | 4.9% |
| Shareholders' equity | 19,602 | 16,939 | 15.7% | 19,602 | 16,939 | 15.7% |
| Employees (internal FTEs, end of period) | 11,538 | 11,913 | -3.1% | 11,538 | 11,913 | -3.1% |

1) Net result divided by the average number of shares outstanding (net of treasury shares) in the market

2) 2015 new business metrics have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability

3) Excluding Mandema and Zicht broker businesses

4) End of period, in EUR billion

5) Four-quarter rolling average

6) Net operating result of the ongoing business, adjusted for the accrued coupon on undated notes classified in equity

7) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business, adjusted for the accrued coupon on undated notes classified in equity, divided by the average allocated equity of the ongoing business adjusted for revaluation reserves and excluding undated notes classified in equity

Note: Operating results are non-GAAP measures. These are derived from figures according to IFRS-EU by excluding impact from divestments, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts

- NN Group's operating result of the ongoing business increased to EUR 488 million from EUR 257 million in the second quarter of 2014, driven by improved results in all segments and supported by a private equity dividend and technical provision releases in Netherlands Life
- The result before tax increased to EUR 460 million, driven by the increased operating result and higher capital gains, partly offset by the movement in the provision for guarantees on separate account pension contracts in Netherlands Life
- Expense reduction programme in the Netherlands realised a cumulative cost reduction of EUR 198 million versus 2013
- New sales (APE) were EUR 278 million, down 10.2% from the second quarter of 2014 on a constant currency basis, mainly due to lower sales in Netherlands Life
- VNB for the first six months of 2015 was down 7.5% to EUR 113 million on lower VNB at Netherlands Life and Japan Life partly offset by higher VNB in Insurance Europe

The operating result of the ongoing business was EUR 488 million, up 89.9% from the second quarter of 2014, supported by a private equity dividend, a technical provision release and a decrease of the unit-linked guarantee provision due to higher interest rates, in Netherlands Life. Lower administrative expenses in the Netherlands, higher results in Insurance Europe and lower funding costs also contributed to the increased operating result.

Total administrative expenses of the ongoing business were EUR 429 million, down 2.3% from the second quarter of 2014, excluding currency effects. FTEs decreased 3.1% year-on-year to 11,538. While administrative expenses increased in Insurance Europe, Investment Management and NN Bank to support growth, administrative expenses in the Netherlands decreased by EUR 34 million in the second quarter of 2015 compared with the second quarter of 2014. By the end of the second quarter of 2015, cumulative cost reductions of EUR 198 million were realised in the Netherlands versus the target of EUR 200 million by 2016, of which EUR 46 million in Netherlands Life, EUR 37 million in Netherlands Non-life and EUR 115 million in corporate/holding entities.

The operating result of Netherlands Life improved significantly to EUR 332 million from EUR 153 million in the second quarter of 2014, supported by a EUR 61 million private equity dividend and EUR 27 million non-recurring benefits primarily related to a provision release. The second-quarter result also reflects a EUR 28 million favourable impact of the movement in the unit-linked guarantee provision compared with a negative impact of EUR 4 million in the same period last year.

The operating result of Netherlands Non-life increased driven by a private equity dividend and higher Property & Casualty results, partly offset by less favourable claims development in Disability & Accident.

Insurance Europe's operating result improved to EUR 55 million, up 24.1% compared with the same period last year, reflecting higher fees and premium-based revenues and a higher technical margin.

The operating results of Investment Management and Japan Life were broadly stable.

The operating result in the segment 'Other' improved to EUR -7 million compared with EUR -42 million in the second quarter of 2014, reflecting lower funding costs, lower holding expenses, higher investment income and a higher operating result at NN Bank, partly offset by a lower operating result at the reinsurance business.

In the first six months of 2015, the operating result of the ongoing business increased to EUR 792 million from EUR 551 million in the same period last year, supported by a private equity dividend, a technical provision release and a decrease of the unit-linked guarantee provision due to higher interest rates, all in Netherlands Life. Lower administrative expenses in the Netherlands and lower funding costs also contributed to the increased operating result.

Result before tax

The result before tax from continuing operations for the second quarter of 2015 increased to EUR 460 million compared with EUR 320 million in the second quarter of 2014.

Gains/losses and impairments were EUR 46 million mainly reflecting capital gains on public and private equity and on bonds, partly offset by EUR 41 million impairments in Netherlands Life. Revaluations amounted to EUR 67 million primarily reflecting EUR 41 million positive revaluations on real estate investments and EUR 31 million on private equity. The positive revaluations on private equity consist of an improvement in value partly offset by negative revaluations of those investments that paid out dividends which were recognised in the operating result. Market and other impacts amounted to EUR -149 million, mainly driven by a movement in the provision for guarantees on separate account pension contracts (net of hedging), reflecting assumption updates,

market volatility during the quarter and differences between the economic basis on which the provision is hedged and the IFRS accounting basis.

The result before tax of Japan Closed Block VA was EUR 43 million compared with EUR 79 million in the second quarter of 2014, reflecting lower hedge-related results and a EUR 12 million reserve release on higher lapse assumptions for out-of-the-money policies.

Special items amounted to EUR -35 million compared with EUR -25 million in the second quarter of 2014. Special items in the current quarter relate to the rebranding of NN Group's subsidiaries. Special items in the second quarter of 2014 mainly relate to expenses for the transformation programme in the Netherlands.

In the first six months of 2015 the result before tax from continuing operations increased significantly to EUR 1,044 million from EUR 36 million in the same period last year, which included a special item of EUR -541 million related to the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent. The improved result reflects the increased operating result, higher capital gains on public equity and bonds, as well as positive revaluations on private equity and real estate. These items were partly offset by the negative market and other impacts, reflecting movements in the provision for guarantees on separate account pension contracts (net of hedging) in Netherlands Life, as well as special items related to expenses for the rebranding of NN Group's subsidiaries.

Net result

The net result from continuing operations improved to EUR 408 million from EUR 252 million in the second quarter of 2014. The effective tax rate in the second quarter of 2015 was 11%, mainly caused by tax-exempt dividends and capital gains related to shareholdings of 5% or more in the Netherlands.

Sales and Value of New Business

Total new sales (APE) at NN Group were EUR 278 million, down 10.2% from the second quarter of 2014 on a constant currency basis. New sales were down 46.5% in Netherlands Life mainly due to lower group pensions renewals and lower new sales of individual and group pensions contracts. At Insurance Europe, second-quarter new sales were down 4.0% compared with the second quarter of 2014 due to lower pension sales in Turkey, partly offset by higher life sales in Greece and Spain. New sales in Japan Life were 3.8% lower compared with the second quarter last year. Compared with the previous quarter, new sales declined 43.8% on a constant currency basis, as the first quarter of 2015 included seasonally higher sales in Japan Life and corporate pensions renewals in Netherlands Life. In the first six months of 2015, total new sales amounted EUR 776 million, up 2.0% on a constant currency basis, largely as a result of a pension fund buy-out, partly offset by lower group pension renewals, both in Netherlands Life.

In the first six months of 2015, the value of new business (VNB) declined to EUR 113 million, from EUR 122 million in the same period of 2014. 2015 new business metrics have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability. The decrease primarily reflects a lower VNB in Netherlands Life due to an overall decline in interest rates. This was partly offset by higher VNB in Insurance Europe largely due to higher term life insurance sales in Belgium and product management actions. In the first six months of 2015, the internal rate of return (IRR) on new sales decreased to 10.7% from 13.2% in the same period of 2014, due to the same reasons.

Net operating Return On Equity (ROE)

The net operating ROE for the ongoing business of NN Group improved to 14.9% compared with 8.7% in the second quarter of 2014, reflecting improved profitability in all segments and supported by a private equity dividend and technical provision releases in Netherlands Life.

Other events

NN Group completes acquisition of the remaining 20% stake in the Polish Pension fund

On 20 July 2015, NN Group completed the acquisition of the remaining 20% stake in the Polish Pension fund, Nationale Nederlanden Powszechnie Towarzystwo Emerytalne S.A. (NN PTE), formerly named ING Powszechnie Towarzystwo Emerytalne S.A., from ING Bank Śląski for a consideration of PLN 128 million (approximately EUR 31 million at current exchange rates). The consideration reflects a purchase price of PLN 210 million adjusted by a PLN 82 million dividend paid by NN PTE to ING Bank Śląski prior to completion. As previously announced the transaction is in line with the EC restructuring plan which requires ING to divest its insurance and investment management businesses. NN PTE manages the second pillar open-ended pension fund and the open-ended third pillar voluntary pension fund. Total assets managed by NN PTE were EUR 8.9 billion as at 30 June 2015.

Netherlands Life

- Operating result increased to EUR 332 million compared with EUR 153 million in the second quarter of 2014, supported by private equity and public equity dividends, technical provision releases as well as lower administrative expenses
- Result before tax increased to EUR 283 million compared with EUR 157 million in the second quarter of 2014, driven by the higher operating result and higher capital gains, partly offset by the movement in the provision for guarantees on separate account pension contracts (net of hedging)
- NN Life's Solvency I ratio down to 281%, mainly due to market movements and the deduction of a dividend of EUR 125 million paid to NN Group in July 2015

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|--|------------|------------|---------------|------------|------------|---------------|
| Analysis of results | | | | | | |
| Investment margin | 260 | 162 | 61.1% | 422 | 301 | 40.0% |
| Fees and premium-based revenues | 81 | 89 | -9.1% | 196 | 217 | -9.6% |
| Technical margin | 105 | 36 | 192.3% | 108 | 70 | 53.7% |
| Operating income non-modelled business | 0 | 0 | | 0 | 0 | |
| Operating income | 446 | 287 | 55.7% | 725 | 588 | 23.4% |
| Administrative expenses | 104 | 120 | -13.1% | 215 | 246 | -12.5% |
| DAC amortisation and trail commissions | 10 | 13 | -25.4% | 26 | 36 | -27.0% |
| Expenses | 114 | 133 | -14.3% | 241 | 282 | -14.4% |
| Operating result | 332 | 153 | 116.5% | 484 | 306 | 58.1% |
| Non-operating items | -49 | 10 | | 198 | -35 | |
| of which gains/losses and impairments | 37 | -57 | | 178 | -66 | |
| of which revaluations | 63 | 82 | -22.7% | 130 | 82 | 58.6% |
| of which market & other impacts | -149 | -15 | | -111 | -51 | |
| Special items before tax | -1 | -7 | | -2 | -347 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 283 | 157 | 80.5% | 680 | -76 | |
| Taxation | 19 | 22 | -12.3% | 75 | -47 | |
| Minority interests | 14 | -1 | | 22 | -2 | |
| Net result | 250 | 136 | 83.8% | 583 | -28 | |
| New business | | | | | | |
| Single premiums | 87 | 137 | -36.6% | 626 | 326 | 92.0% |
| Regular premiums | 16 | 32 | -50.8% | 141 | 144 | -2.2% |
| New sales life insurance (APE) | 24 | 46 | -46.5% | 203 | 177 | 15.2% |
| Value of new business ¹⁾ | | | | 8 | 22 | -65.2% |
| Internal rate of return ¹⁾ | | | | 8.6% | 21.7% | |
| Key figures | | | | | | |
| Gross premium income | 469 | 614 | -23.5% | 1,866 | 2,019 | -7.5% |
| Total administrative expenses | 104 | 120 | -13.1% | 215 | 246 | -12.5% |
| Cost/income ratio (Administrative expenses/Operating income) | 23.3% | 41.8% | | 29.7% | 41.8% | |
| Life general account invested assets ²⁾ | 62 | 57 | 7.9% | 62 | 57 | 7.9% |
| Investment margin/Life general account invested assets (bps) ³⁾ | 127 | 105 | | | | |
| Total provisions for insurance & investment contracts ²⁾ | 73 | 68 | 6.4% | 73 | 68 | 6.4% |
| of which for risk policyholder ²⁾ | 18 | 17 | 5.5% | 18 | 17 | 5.5% |
| Allocated equity (end of period) | 13,488 | 11,265 | 19.7% | 13,488 | 11,265 | 19.7% |
| Net operating ROE ⁴⁾ | 17.0% | 8.1% | | 12.3% | 7.9% | |
| NN Life Solvency I ratio | 281% | 250% | | 281% | 250% | |
| Employees (internal FTEs, end of period) | 2,085 | 2,366 | -11.9% | 2,085 | 2,366 | -11.9% |

1) 2015 new business metrics have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability

2) End of period, in EUR billion

3) Four-quarter rolling average

4) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by the average allocated equity of the segment adjusted for revaluation reserves

The operating result of Netherlands Life increased to EUR 332 million from EUR 153 million in the second quarter of 2014, supported by private equity and public equity dividends, non-recurring benefits in the technical margin, and a release of the unit-linked guarantee provision due to an increase in interest rates. Lower administrative expenses also contributed to the higher operating result.

The investment margin increased to EUR 260 million from EUR 162 million in the second quarter of 2014, supported by a EUR 61 million private equity dividend as well as higher public equity dividends, partly offset by higher interest expenses on a subordinated loan provided by NN Group to NN Life in May 2014. An increased allocation to higher-yielding assets and higher invested volumes helped to offset the impact of the low interest rate environment on reinvestments. The investment spread, calculated as a four-quarter rolling average, increased to 127 basis points from 105 basis points in the second quarter of last year.

Fees and premium-based revenues decreased to EUR 81 million compared with EUR 89 million in the second quarter of 2014, largely reflecting the individual life closed book run-off.

The technical margin increased to EUR 105 million from EUR 36 million in the second quarter of 2014. The current quarter result includes EUR 27 million of non-recurring benefits primarily related to a technical provision release and a EUR 28 million release of the unit-linked guarantee provision due to an increase in interest rates, whereas the same quarter a year ago included a EUR 4 million addition to the unit-linked guarantee provision.

Administrative expenses decreased to EUR 104 million from EUR 120 million in the second quarter of 2014, which included an addition of EUR 5 million to personnel provisions which have been reallocated to the segment 'Other' as of the third quarter of 2014. Excluding the impact of these personnel provisions, administrative expenses declined 9.3%, mainly reflecting lower project expenses and lower staff costs.

DAC amortisation and trail commissions decreased to EUR 10 million from EUR 13 million in the second quarter of 2014, reflecting the run-off of the individual life closed book and regulatory changes.

The result before tax increased to EUR 283 million from EUR 157 million in the second quarter of 2014. The current quarter result is supported by EUR 86 million of capital gains on public and private equity and on bonds, partly offset by EUR 41 million of impairments. Revaluations were EUR 63 million, reflecting revaluations on private equity and real estate. Market and other impacts of EUR -149 million reflect the movement in the provision for guarantees on separate account pension contracts (net of hedging), reflecting assumption updates, market volatility during the quarter and differences between the economic basis on which the provision is hedged and the IFRS accounting basis.

New sales (APE) decreased to EUR 24 million from EUR 46 million in the second quarter of 2014, mainly driven by lower group pension renewals and lower sales of individual and group pension contracts.

In the first six months of 2015, Netherlands Life's operating result increased to EUR 484 million compared with EUR 306 million in the same period last year. The increase was driven by a higher investment margin, a higher technical margin and lower administrative expenses, partly offset by lower fees and premium-based revenues. The investment margin benefited from EUR 85 million of private equity dividends and higher public equity dividends, an increased allocation to higher-yielding assets and higher invested volumes. The technical margin was supported by EUR 27 million of non-recurring benefits in the second quarter and a EUR 8 million release of the unit-linked guarantee provision due to an increase in interest rates, as opposed to a negative impact of EUR 10 million in the first six months of 2014. These items were partly offset by lower fees and premium-based revenues reflecting the individual life closed book run-off.

The result before tax was EUR 680 million in the first six months of 2015 compared with EUR -76 million in the same period last year, which included a special item of EUR -322 million related to the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent. The improved result before tax reflects the increased operating result, higher capital gains on public equity and bonds, as well as positive revaluations on private equity and real estate, partly offset by the negative market and other impacts reflecting movements in the provision for guarantees on separate account pension contracts (net of hedging).

New sales (APE) increased to EUR 203 million in the first six months of 2015 from EUR 177 million in the same period last year, mainly driven by a EUR 420 million single premium relating to the pension fund buy-out of a large company pension fund, partly offset by lower group pension renewals. The value of new business (VNB) for the first six months of 2015 decreased to EUR 8 million from EUR 22 million in the same period of last year, mainly due to an overall decline in interest rates. For the same reasons, the internal rate of return (IRR) decreased to 8.6% in the first six months of 2015 from 21.7% in the same period of 2014.

Netherlands Non-life

- Operating result increased to EUR 45 million from EUR 39 million in the second quarter of 2014 driven by a private equity dividend
- Combined ratio of 99.7%, deteriorated from 98.5% in the second quarter of 2014

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|--|------------|-------|--------|--------|-------|--------|
| Analysis of results | | | | | | |
| Earned premiums | 380 | 379 | 0.2% | 762 | 768 | -0.8% |
| Investment income | 44 | 32 | 36.8% | 67 | 56 | 19.9% |
| Other income | -2 | -1 | | 0 | -2 | |
| Operating income | 422 | 410 | 2.9% | 829 | 822 | 0.8% |
| Claims incurred, net of reinsurance | 261 | 254 | 3.0% | 528 | 526 | 0.3% |
| Acquisition costs | 60 | 64 | -6.7% | 120 | 126 | -4.5% |
| Administrative expenses | 58 | 56 | 3.8% | 114 | 111 | 2.3% |
| Acquisition costs and administrative expenses | 117 | 120 | -1.8% | 234 | 237 | -1.3% |
| Expenditure | 379 | 373 | 1.4% | 761 | 763 | -0.2% |
| Operating result insurance businesses | 44 | 37 | 17.3% | 67 | 59 | 14.2% |
| Operating result broker businesses | 1 | 2 | -32.8% | 2 | 3 | -17.2% |
| Total operating result | 45 | 39 | 15.0% | 69 | 61 | 12.9% |
| Non-operating items | 5 | 8 | -42.2% | 13 | 7 | 76.6% |
| of which gains/losses and impairments | 1 | -3 | | 4 | -4 | |
| of which revaluations | 4 | 11 | -63.0% | 9 | 12 | -23.3% |
| of which market & other impacts | 0 | 0 | | 0 | 0 | |
| Special items before tax | 0 | -4 | | -1 | -88 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 49 | 44 | 12.6% | 81 | -20 | |
| Taxation | 9 | 8 | 7.1% | 15 | -9 | |
| Minority interests | 0 | 0 | | 0 | 0 | |
| Net result | 41 | 36 | 13.8% | 66 | -11 | |
| Key figures | | | | | | |
| Gross premium income | 289 | 286 | 0.9% | 1,023 | 1,047 | -2.3% |
| Total administrative expenses ¹⁾ | 75 | 73 | 2.4% | 148 | 147 | 0.5% |
| Combined ratio ²⁾ | 99.7% | 98.5% | | 100.0% | 99.4% | |
| of which Claims ratio ²⁾ | 68.8% | 66.9% | | 69.3% | 68.5% | |
| of which Expense ratio ²⁾ | 30.9% | 31.6% | | 30.7% | 30.8% | |
| Total insurance provisions ³⁾ | 3 | 4 | -1.2% | 3 | 4 | -1.2% |
| Allocated equity (end of period) | 733 | 651 | 12.5% | 733 | 651 | 12.5% |
| Net operating ROE ⁴⁾ | 34.5% | 28.9% | | 26.4% | 20.7% | |
| Employees (internal FTEs, end of period) | 1,702 | 1,748 | -2.6% | 1,702 | 1,748 | -2.6% |

1) Including Mandema and Zicht broker businesses

2) Excluding Mandema and Zicht broker businesses

3) End of period, in EUR billion

4) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by the average allocated equity of the segment adjusted for revaluation reserves

The operating result of Netherlands Non-life increased to EUR 45 million from EUR 39 million in the second quarter of 2014, driven by a EUR 9 million private equity dividend.

The combined ratio increased to 99.7% from 98.5% in the second quarter of 2014, as the improvement in Motor was more than offset by the impact of large claims in Fire and a less favourable claims development in Disability & Accident (D&A).

The operating result in D&A improved to EUR 37 million from EUR 34 million in the second quarter of 2014. This was driven by the private equity dividend, partly offset by a less favourable claims development. The D&A combined ratio increased to 97.4% compared with 94.5% in the second quarter of 2014.

The operating result in Property & Casualty (P&C) improved to EUR 7 million from EUR 4 million in the second quarter of 2014. This was driven by an improvement of the result in Motor due to a favourable claims experience and the positive effect on the current accident year as a result of the management actions to restore profitability. This was partly offset by large claims in Fire. The P&C combined ratio remained stable at 101.7%.

Administrative expenses increased to EUR 58 million from EUR 56 million in the second quarter of 2014 due to EUR 4 million of restructuring expenses. Excluding these restructuring expenses, administrative expenses decreased 3.8% as a result of the cost reduction programme.

The result before tax of Netherlands Non-life improved to EUR 49 million from EUR 44 million in the second quarter of 2014, driven by the higher operating result.

In the first six months of 2015, the operating result of Netherlands Non-life increased to EUR 69 million from EUR 61 million in the same period of 2014. This increase was driven by higher private equity dividends and improved underwriting results in Motor and D&A, partly offset by unfavourable claims experience in Fire. In the first six months of 2015 the result before tax was EUR 81 million compared with EUR -20 million in the same period of 2014, which included a special item of EUR -82 million related to the impact of the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent. The combined ratio for the first six months of 2015 was 100.0% compared with 99.4% in the same period of 2014.

Insurance Europe

- Operating result increased to EUR 55 million from EUR 44 million in the second quarter of 2014, driven by higher fees and premium-based revenues and a higher technical margin
- New sales (APE) were down 4.0% at constant currencies to EUR 130 million compared with the second quarter of 2014 due to lower pension sales
- Value of new business (VNB) for the first six months of 2015 increased to EUR 55 million from EUR 47 million in the same period of 2014

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|--|------------|-------|--------|-------|-------|--------|
| Analysis of results | | | | | | |
| Investment margin | 20 | 21 | -4.1% | 41 | 48 | -13.3% |
| Fees and premium-based revenues | 135 | 127 | 6.3% | 267 | 255 | 4.8% |
| Technical margin | 51 | 44 | 14.7% | 96 | 92 | 4.1% |
| Operating income non-modelled business | 1 | 1 | | 2 | 2 | |
| Operating income Life Insurance | 208 | 193 | 7.3% | 406 | 397 | 2.4% |
| Administrative expenses | 75 | 74 | 1.1% | 152 | 149 | 2.3% |
| DAC amortisation and trail commissions | 78 | 77 | 1.4% | 161 | 163 | -1.3% |
| Expenses Life Insurance | 154 | 152 | 1.3% | 313 | 312 | 0.4% |
| Operating result Life Insurance | 54 | 42 | 29.4% | 94 | 85 | 9.7% |
| Non-life operating result | 1 | 3 | -57.9% | 2 | 5 | -63.1% |
| Operating result | 55 | 44 | 24.1% | 95 | 90 | 6.0% |
| Non-operating items | 7 | 0 | | 23 | 10 | 120.9% |
| of which gains/losses and impairments | 6 | 8 | -27.1% | 20 | 19 | 7.9% |
| of which revaluations | 1 | 1 | 57.8% | 3 | 1 | 256.1% |
| of which market & other impacts | 0 | -9 | | 0 | -9 | |
| Special items before tax | -19 | -2 | | -30 | -3 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 44 | 43 | 1.9% | 88 | 97 | -9.3% |
| Taxation | 11 | 16 | -32.6% | 22 | 29 | -23.6% |
| Minority interests | 2 | 0 | | 3 | 2 | 21.6% |
| Net result | 31 | 26 | 18.5% | 63 | 66 | -4.2% |
| New business | | | | | | |
| Single premiums | 231 | 274 | -15.7% | 483 | 503 | -3.9% |
| Regular premiums | 107 | 108 | -0.9% | 225 | 225 | -0.1% |
| New sales life insurance (APE) | 130 | 135 | -3.9% | 273 | 275 | -0.8% |
| Value of new business ¹⁾ | | | | 55 | 47 | 17.5% |
| Internal rate of return ¹⁾ | | | | 11.7% | 9.5% | |
| Key figures | | | | | | |
| Gross premium income | 584 | 546 | 7.0% | 1,170 | 1,133 | 3.3% |
| Total administrative expenses (Life & Non-life) | 80 | 78 | 1.8% | 161 | 156 | 3.1% |
| Cost/income ratio (Administrative expenses/Operating income) | 35.2% | 36.8% | | 36.3% | 36.0% | |
| Life general account invested assets ²⁾ | 11 | 12 | -9.7% | 11 | 12 | -9.7% |
| Investment margin/Life general account invested assets (bps) ³⁾ | 73 | 80 | | | | |
| Total provisions for insurance & investment contracts ²⁾ | 19 | 20 | -3.2% | 19 | 20 | -3.2% |
| of which for risk policyholder ²⁾ | 8 | 7 | 3.0% | 8 | 7 | 3.0% |
| Assets under management pensions ²⁾⁽⁴⁾ | 15 | 15 | -0.7% | 15 | 15 | -0.7% |
| Allocated equity (end of period) | 1,877 | 1,997 | -6.0% | 1,877 | 1,997 | -6.0% |
| Net operating ROE ⁵⁾ | 10.6% | 7.9% | | 9.2% | 8.3% | |
| Employees (internal FTEs, end of period) | 4,053 | 4,046 | 0.2% | 4,053 | 4,046 | 0.2% |

1) 2015 new business metrics have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability

2) End of period, in EUR billion

3) Four-quarter rolling average

4) The numbers shown under AuM are client balances which exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration

5) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by the average allocated equity of the segment adjusted for revaluation reserves

The operating result of Insurance Europe was EUR 55 million in the second quarter of 2015, up 24.1% compared with the same period of 2014. The increase reflects higher fees and premium-based revenues on the growth of traditional life insurance products and pension related assets under management, as well as a higher technical margin.

The investment margin decreased slightly to EUR 20 million from EUR 21 million in the second quarter of 2014, due to lower invested volumes.

Fees and premium-based revenues increased to EUR 135 million, from EUR 127 million in the second quarter of 2014, reflecting higher traditional life insurance premiums across the region. Higher fees on assets under management related to the pension business in Spain and Romania also contributed to the increase.

The technical margin increased to EUR 51 million from EUR 44 million in the second quarter of 2014 due to higher mortality and morbidity margins across the region, as well as reserve releases of EUR 3 million.

Administrative expenses remained broadly stable at EUR 75 million, including the recovery of a receivable in Turkey of EUR 1 million in the current quarter.

DAC amortisation and trail commissions were EUR 78 million, broadly stable compared with the second quarter of 2014.

The result before tax increased to EUR 44 million from EUR 43 million in the second quarter of 2014. The increase was driven by the higher operating result and higher non-operating items, partly offset by special items which reflect the rebranding expenses across the region.

New sales (APE) were EUR 130 million compared with EUR 135 million in the second quarter of 2014. This decline was due to lower pension sales in Turkey, partly offset by higher life sales in Greece and Spain.

In the first six months of 2015 the operating result increased to EUR 95 million, compared with EUR 90 million in the same period of 2014. The increase was driven by higher fees and premium-based revenues and a higher technical margin which more than offset the negative impact of the pension reforms in Poland. The result before tax in the first six months of 2015 decreased to EUR 88 million from EUR 97 million in the same period of 2014, reflecting an increase in special items due to rebranding expenses.

New sales were EUR 273 million in the first six months of 2015, down from EUR 275 million in the same period of 2014 due to lower pension sales in Turkey, partly offset by higher life sales in Spain and Greece. Sales of life protection products were up 21.2% year on year driven by a large group contract in Spain, and were up 6.3% excluding this contract.

In the first six months of 2015 the value of new business (VNB) increased to EUR 55 million from EUR 47 million in the same period of 2014, largely reflecting higher term insurance sales in Belgium and product management actions, partly offset by lower interest rates. For the same reasons, the internal rate of return (IRR) on new sales increased to 11.7% in the first six months of 2015 from 9.5% in the same period of 2014.

Japan Life

- Operating result of EUR 25 million broadly stable compared with the second quarter of 2014 excluding currency effects, reflecting higher fees and premium-based revenues offset by a decrease in the technical and investment margins
- New sales (APE) were EUR 124 million, down 3.8% from the second quarter of 2014 at constant currencies
- Value of new business (VNB) in the first six months of 2015 declined to EUR 50 million from EUR 53 million in the same period last year, on lower interest rates

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|---|------------|-------|--------|-------|-------|---------|
| Analysis of results¹⁾ | | | | | | |
| Investment margin | -4 | -1 | | -5 | -2 | |
| Fees and premium-based revenues | 114 | 102 | 12.2% | 274 | 236 | 16.0% |
| Technical margin | -9 | -4 | | -7 | 4 | -262.1% |
| Operating income non-modelled business | 0 | 0 | | 0 | 0 | |
| Operating income | 102 | 96 | 5.9% | 261 | 239 | 9.5% |
| Administrative expenses | 27 | 25 | 10.4% | 51 | 49 | 5.9% |
| DAC amortisation and trail commissions | 50 | 47 | 5.3% | 113 | 99 | 13.8% |
| Expenses | 77 | 72 | 7.1% | 165 | 148 | 11.2% |
| Operating result | 25 | 24 | 2.6% | 96 | 90 | 6.6% |
| Non-operating items | 0 | 0 | | 3 | -3 | |
| of which gains/losses and impairments | 1 | 1 | 2.2% | 4 | 1 | |
| of which revaluations | -1 | -1 | | -1 | -3 | |
| of which market & other impacts | 0 | 0 | | 0 | 0 | |
| Special items before tax | -5 | 0 | | -7 | 0 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 20 | 24 | -18.7% | 93 | 88 | 5.7% |
| Taxation | 3 | 7 | -62.2% | 16 | 31 | -49.0% |
| Minority interests | 0 | 0 | | 0 | 0 | |
| Net result | 17 | 17 | -0.2% | 77 | 57 | 35.1% |
| New business¹⁾ | | | | | | |
| Single premiums | 2 | 13 | -81.3% | 11 | 31 | -65.6% |
| Regular premiums | 124 | 123 | 1.0% | 299 | 289 | 3.4% |
| New sales life insurance (APE) | 124 | 124 | 0.2% | 300 | 292 | 2.6% |
| Value of new business ²⁾ | | | | 50 | 53 | -6.1% |
| Internal rate of return ²⁾ | | | | 12.9% | 16.6% | |
| Key figures¹⁾ | | | | | | |
| Gross premium income | 599 | 524 | 14.3% | 1,453 | 1,254 | 15.8% |
| Total administrative expenses | 27 | 25 | 10.4% | 51 | 49 | 5.9% |
| Cost/income ratio (Administrative expenses/Operating income) | 26.5% | 26.0% | | 19.5% | 20.5% | |
| Life general account invested assets ³⁾ | 10 | 9 | 12.8% | 10 | 9 | 12.8% |
| Total provisions for insurance & investment contracts ³⁾ | 9 | 8 | 15.5% | 9 | 8 | 15.5% |
| of which for risk policyholder ³⁾ | 0 | 0 | | 0 | 0 | 21.2% |
| Allocated equity (end of period) | 1,667 | 1,438 | 15.9% | 1,667 | 1,438 | 15.9% |
| Net operating ROE ⁴⁾ | 5.7% | 5.9% | | 10.5% | 10.5% | |
| Employees (internal FTEs, end of period) | 609 | 649 | -6.2% | 609 | 649 | -6.2% |

1) JPY/EUR average fx rates: 133.67 (2Q15), 140.31 (2014) and JPY/EUR end of period fx rates: 136.88 (2015), 138.41 (2Q14)

2) 2015 new business metrics have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability

3) End of period, in EUR billion

4) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by the average allocated equity of the segment adjusted for revaluation reserves

The operating result of Japan Life was EUR 25 million, broadly stable compared with the second quarter of 2014, excluding currency effects, reflecting higher fees and premium-based revenues offset by a decrease in the technical margin and the investment margin.

The investment margin was EUR -4 million compared with EUR -1 million in the second quarter of 2014 due to lower interest rates on reinvested assets.

Fees and premium-based revenues were EUR 114 million, up 7.4% from the second quarter of 2014, excluding currency effects, driven by continued strong sales and larger in-force volumes.

The technical margin was EUR -9 million, down from EUR -4 million in the second quarter of 2014, due to lower surrender results.

Administrative expenses were EUR 27 million, up 5.4% compared with the second quarter of 2014 on a constant currency basis, mainly due to higher IT-related expenses.

DAC amortisation and trail commissions were EUR 50 million, broadly stable compared with the second quarter of 2014, excluding currency effects.

The result before tax decreased to EUR 20 million, compared with EUR 24 million in the second quarter of 2014, due to special items reflecting expenses for rebranding the business of Japan Life.

New sales (APE) were EUR 124 million, down 3.8% from the second quarter of 2014, on a constant currency basis.

In the first six months of 2015, the operating result of Japan Life was EUR 96 million compared with EUR 90 million in the same period of 2014, up 1.4% excluding currency effects. The improved result was driven by higher fees and premium-based revenues, partly offset by a lower technical margin and higher DAC amortisation and trail commissions. The result before tax was EUR 93 million compared with EUR 88 million in 2014, broadly stable at constant currencies.

In the first six months of 2015, new sales (APE) were EUR 300 million, down 2.4% compared with the same period last year, at constant currencies. The value of new business (VNB) declined to EUR 50 million in the first six months of 2015, from EUR 53 million in the same period of 2014, reflecting lower interest rates, partly offset by a favourable shift in the product mix. For the same reasons, the internal rate of return (IRR) on new sales decreased to 12.9% in the first six months of 2015, from 16.6% in the same period a year ago.

Investment Management

- Total Assets under Management (AuM) decreased to EUR 184 billion from EUR 203 billion at the end of the first quarter of 2015 mainly due to higher interest rates
- Operating result stable at EUR 38 million, as increased fees were offset by higher expenses

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|---------------------------------------|------------|------|---------|------|------|---------|
| Analysis of results | | | | | | |
| Investment income | 0 | 0 | | 0 | 0 | |
| Fees | 129 | 116 | 10.5% | 254 | 234 | 8.3% |
| Operating income | 128 | 116 | 10.1% | 253 | 234 | 8.2% |
| Administrative expenses | 90 | 79 | 14.3% | 179 | 158 | 13.8% |
| Operating result | 38 | 38 | 1.3% | 74 | 77 | -3.2% |
| Non-operating items | 0 | 0 | -173.2% | 0 | 0 | 241.0% |
| of which gains/losses and impairments | 0 | 0 | -173.2% | 0 | 0 | 241.0% |
| of which revaluations | 0 | 0 | | 0 | 0 | |
| of which market & other impacts | 0 | 0 | | 0 | 0 | |
| Special items before tax | -10 | 0 | | -15 | -122 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 28 | 38 | -25.3% | 59 | -45 | |
| Taxation | 8 | 9 | -7.4% | 16 | -13 | |
| Minority interests | 0 | 0 | | 0 | 0 | -100.0% |
| Net result¹⁾ | 20 | 29 | -30.8% | 43 | -32 | |

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|--|-------|-------|---------|-------|-------|--------|
| Key figures | | | | | | |
| Total administrative expenses | 90 | 79 | 14.3% | 179 | 158 | 13.8% |
| Cost/income ratio (Administrative expenses/Operating income) | 70.3% | 68.1% | | 70.8% | 67.5% | |
| Net inflow Assets under Management (in EUR billion) | -2 | 4 | -157.5% | -3 | -9 | |
| Assets under Management ²⁾ | 184 | 177 | 4.2% | 184 | 177 | 4.2% |
| Fees/average Assets under Management (bps) | 27 | 27 | | 27 | 27 | |
| Allocated equity (end of period) | 397 | 380 | 4.7% | 397 | 380 | 4.7% |
| Net operating ROE ³⁾ | 28.4% | 31.4% | | 27.8% | 33.0% | |
| Employees (internal FTEs, end of period) | 1,176 | 1,139 | 3.2% | 1,176 | 1,139 | 3.2% |

1) Excluding the Net result from discontinued operations
 2) End of period, in EUR billion
 3) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by the average allocated equity of the segment adjusted for revaluation reserves

| In EUR billion | 2Q2015 | 2Q2014 | Change | 6M15 | 6M14 | Change |
|--|------------|--------|--------|------|------|--------|
| AuM rollforward | | | | | | |
| Beginning of period | 203 | 168 | 20.9% | 186 | 174 | 7.1% |
| Net inflow | -2 | 4 | | -3 | -9 | |
| Acquisition / Divestments | 0 | 0 | | 0 | 2 | |
| Market performance (incl. FX Impact) and Other | -16 | 6 | | 1 | 10 | |
| End of period | 184 | 177 | 4.2% | 184 | 177 | 4.2% |

Total Assets under Management (AuM) at Investment Management were EUR 184 billion at the end of the second quarter of 2015, down from EUR 203 billion at the end of the first quarter of 2015. The decline mainly reflects the impact of higher interest rates during the quarter decreasing the value of fixed income assets. Net outflows in the second quarter were EUR 2.0 billion in the Proprietary and Other Affiliated businesses.

The second quarter operating result remained stable at EUR 38 million as a result of higher fees, offset by an increase in expenses.

Fees were EUR 129 million, up 10.5% compared with the second quarter of 2014, reflecting the higher average AuM in the second half of 2014 and in the first quarter of 2015.

Administrative expenses were EUR 90 million, up from EUR 79 million in the second quarter of 2014, which benefited from EUR 5 million of personnel provision releases. The increase continues to reflect higher staff-related expenses following the strengthening of various investment and marketing teams, as well as higher IT and market data expenses due to the impact of the USD exchange rate.

The result before tax was EUR 28 million versus EUR 38 million in the second quarter of 2014. The current quarter includes special items of EUR -10 million reflecting expenses for rebranding the business from ING Investment Management to NN Investment Partners.

In the first six months of 2015, the operating result of Investment Management was EUR 74 million, down 3.2% from the same period of 2014. Higher average AuM led to higher fee income, which was more than offset by an increase in administrative expenses, as expenses in the first six months of 2014 benefited from EUR 10 million of personnel provision releases. The result before tax in the first six months of 2015 was EUR 59 million, compared with a loss of EUR 45 million for the same period of 2014, which included a special item of EUR -122 million related to the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent.

Other

- Operating result improved to EUR -7 million from EUR -42 million in the second quarter of 2014, mainly due to lower holding expenses, lower funding costs and higher investment income
- Operating result of the reinsurance business decreased due to lower hedge result, partly offset by better underwriting results
- NN Bank operating result increased reflecting a higher interest result driven by growth of its mortgage and customer savings activities

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|---|------------|------------|--------|------------|-------------|--------|
| Analysis of results | | | | | | |
| Interest on hybrids and debt | -26 | -35 | | -51 | -68 | |
| Investment income and fees | 16 | 12 | 36.2% | 31 | 19 | 66.1% |
| Holding expenses | -15 | -33 | | -32 | -59 | |
| Amortisation of intangible assets | -2 | -2 | | -3 | -3 | |
| Holding result | -26 | -58 | | -56 | -112 | |
| Operating result reinsurance business | 9 | 15 | -36.5% | 13 | 26 | -47.3% |
| Operating result NN Bank | 6 | 2 | 226.3% | 11 | 7 | 56.3% |
| Other results | 3 | 0 | | 5 | 6 | -27.5% |
| Operating result | -7 | -42 | | -27 | -73 | |
| Non-operating items | 0 | -9 | | 11 | 3 | 325.4% |
| of which gains/losses and impairments | 1 | 0 | | 11 | 10 | 13.2% |
| of which revaluations | -1 | -9 | | 0 | -7 | |
| of which market & other impacts | 0 | 0 | | 0 | 0 | |
| Special items before tax | 0 | -13 | | 0 | -36 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | -7 | -64 | | -17 | -107 | |
| Taxation | -2 | -11 | | -4 | -11 | |
| Minority interests | 0 | 0 | | 0 | 0 | 191.9% |
| Net result | -5 | -53 | | -12 | -96 | |
| Key figures | | | | | | |
| Total administrative expenses | 53 | 64 | -17.9% | 113 | 121 | -6.5% |
| of which reinsurance business | 3 | 3 | -3.1% | 6 | 6 | -5.3% |
| of which NN Bank | 36 | 27 | 30.8% | 73 | 55 | 33.2% |
| NN Bank common equity Tier 1 ratio phased in ¹⁾ | 14.2% | 15.7% | | 14.2% | 15.7% | |
| NN Bank BIS ratio phased in ¹⁾ | 16.4% | 16.3% | | 16.4% | 16.3% | |
| Total assets NN Bank ²⁾ | 11 | 9 | 26.8% | 11 | 9 | 26.8% |
| Net operating ROE NN Bank ³⁾ | 5.1% | 1.7% | | 4.5% | 2.8% | |
| Total provisions for insurance and investment contracts ²⁾ | 1 | 1 | 8.2% | 1 | 1 | 8.2% |
| Employees (internal FTEs, end of period) | 1,811 | 1,884 | -3.9% | 1,811 | 1,884 | -3.9% |

1) The 'NN Bank common equity Tier 1 ratio phased in' and the 'NN Bank BIS ratio phased in' are not final until filed with the regulators

2) End of period, in EUR billion

3) Net operating ROE is calculated as the (annualised) net operating result of NN Bank, divided by the average allocated equity adjusted for revaluation reserves

The operating result of the segment 'Other' improved to EUR -7 million from EUR -42 million in the second quarter of 2014, reflecting lower holding expenses, lower funding costs, higher investment income and a higher operating result at NN Bank, partly offset by a lower operating result at the reinsurance business.

The holding result improved to EUR -26 million compared with EUR -58 million in the second quarter of 2014. Interest costs on hybrids and debt were EUR 9 million lower mainly following the refinancing of hybrid debt using the proceeds of the undated subordinated notes issued in July 2014, which are classified as equity under IFRS. The interest on the undated notes is recognised through equity while the interest on the hybrid debt redeemed with these notes was recognised in the profit and loss account. Investment income increased to EUR 16 million from EUR 12 million in the second quarter of last year, driven by interest income received on the subordinated loan provided by NN Group to NN Life in May 2014. Holding expenses decreased to EUR 15 million compared with EUR 33 million in the same period last year, reflecting a revised method for charging head office expenses to the segments as well as the impact of the transformation programme in the Netherlands.

The operating result of the reinsurance business decreased to EUR 9 million from EUR 15 million in the second quarter last year, due to lower hedge results on the VA Europe portfolio, partly offset by better underwriting results.

The operating result of NN Bank increased to EUR 6 million from EUR 2 million in the second quarter of 2014. The strong production of mortgages and increase in customer savings led to a higher interest result, which was partly offset by higher administrative expenses supporting the bank's continued growth.

Other results of EUR 3 million mainly reflect a release of a provision relating to a divested business.

The result before tax of the segment 'Other' improved to EUR -7 million compared with EUR -64 million in the second quarter of 2014, reflecting the improved operating result. The second quarter of last year included negative revaluations on real estate and EUR -13 million of special items related to the transformation programme in the Netherlands.

Total administrative expenses were EUR 53 million, down 17.9% from the second quarter of 2014. This decline reflects EUR 18 million lower holding expenses, offset by higher expenses at NN Bank.

In the first six months of 2015 the operating result of the segment 'Other' improved to EUR -27 million from EUR -73 million for the same period last year. The holding result was favourably impacted by lower funding costs, higher interest income and lower holding expenses. The operating result of the reinsurance business decreased to EUR 13 million from EUR 26 million in the same period last year, due to lower hedge results and lower underwriting results. NN Bank's operating result improved to EUR 11 million from EUR 7 million in the same period last year as it successfully expanded its mortgage and customer savings activities.

The result before tax in the first six months of 2015 improved to EUR -17 million compared with EUR -107 million in the same period last year, reflecting the improved operating result. The result of the first six months of 2014 included negative revaluations on real estate and EUR -36 million of special items, related to the agreement to make ING's closed defined benefit pension plan in the Netherlands financially independent as well as to the transformation programme in the Netherlands.

Japan Closed Block VA

- Result before tax was EUR 43 million compared with EUR 79 million in the second quarter of 2014 reflecting lower hedge results
- Portfolio run-off resulted in a 10.2% decrease in the number of policies compared with the first quarter of 2015

| In EUR million | 2Q15 | 2Q14 | Change | 6M15 | 6M14 | Change |
|--|-----------|-----------|---------------|-----------|-----------|---------------|
| Analysis of results¹⁾ | | | | | | |
| Investment margin | 0 | 0 | | 0 | 0 | |
| Fees and premium-based revenues | 25 | 28 | -10.9% | 52 | 58 | -10.7% |
| Technical margin | 0 | 0 | | 0 | 0 | |
| Operating income non-modelled business | 0 | 0 | | 0 | 0 | |
| Operating income | 25 | 28 | -10.9% | 52 | 58 | -10.7% |
| Administrative expenses | 5 | 4 | 19.8% | 10 | 9 | 17.9% |
| DAC amortisation and trail commissions | 3 | 3 | -10.8% | 6 | 6 | -8.7% |
| Expenses | 8 | 8 | 7.3% | 16 | 15 | 6.8% |
| Operating result | 16 | 20 | -17.7% | 36 | 43 | -16.6% |
| Non-operating items | 27 | 59 | -54.7% | 24 | 0 | |
| of which gains/losses and impairments | 0 | 0 | | 0 | 0 | |
| of which revaluations | 0 | 0 | | 0 | 0 | |
| of which market & other impacts | 27 | 59 | -54.7% | 24 | 0 | |
| Special items before tax | 0 | 0 | | 0 | 0 | |
| Result on divestments | 0 | 0 | | 0 | 0 | |
| Result before tax | 43 | 79 | -45.3% | 60 | 43 | 38.5% |
| Taxation | 4 | 17 | -76.2% | 2 | 5 | -57.3% |
| Minority interests | 0 | 0 | | 0 | 0 | |
| Net result | 39 | 62 | -37.0% | 57 | 38 | 51.8% |
| Key figures¹⁾²⁾ | | | | | | |
| Allocated equity | 1,007 | 1,061 | -5.1% | 1,007 | 1,061 | -5.1% |
| Account value | 11,610 | 14,425 | -19.5% | 11,610 | 14,425 | -19.5% |
| Net Amount at Risk | 76 | 694 | -89.1% | 76 | 694 | -89.1% |
| IFRS Reserves | 403 | 1,068 | -62.3% | 403 | 1,068 | -62.3% |
| Number of policies | 239,510 | 330,203 | -27.5% | 239,510 | 330,203 | -27.5% |
| Employees (internal FTEs, end of period) | 103 | 81 | 27.2% | 103 | 81 | 27.2% |

1) JPY/EUR average fx rates: 133.67 (2Q15), 140.31 (2Q14) and JPY/EUR end of period fx rates: 136.88 (2Q15), 138.41 (2Q14)

2) End of period

The result before tax of Japan Closed Block VA declined to EUR 43 million from EUR 79 million in the second quarter of 2014, mainly due to lower hedge results. The current quarter also reflects a EUR 12 million reserve release following an update on observed lapse experience of out-of-the-money policies.

The operating result decreased to EUR 16 million from EUR 20 million in the second quarter of 2014, as fees and premium-based revenues declined in line with the run-off of the portfolio and due to higher administrative expenses.

Fees and premium-based revenues were EUR 25 million, down 15.0% from the second quarter of 2014 excluding currency effects, due to a lower account value caused by a decreasing number of policies.

Administrative expenses increased to EUR 5 million from EUR 4 million in the second quarter of 2014, mainly caused by higher processing costs reflecting an increase in surrenders.

Market and other impacts were EUR 27 million compared with EUR 59 million in the second quarter of 2014. The current quarter includes a hedge-related result of EUR 19 million and a EUR 12 million reserve release from higher lapse assumptions, reflecting an update on observed lapse experience of out-of-the-money policies.

The Net Amount at Risk in the Japan Closed Block VA decreased to EUR 76 million from EUR 694 million in the second quarter of 2014, primarily as a result of equity markets appreciation.

In the first six months of 2015 the operating result before tax was EUR 36 million compared with EUR 43 million in the same period a year ago, down 20.4% excluding currency impacts, mainly caused by lower fees and premium-based revenues.

In the first six months of 2015 the result before tax increased to EUR 60 million from EUR 43 million in the same period a year ago, up 33.0% excluding currency impacts. The first six months of 2015 included a hedge-related result of EUR 17 million and a EUR 12 million reserve release on higher lapse assumptions for out-of-the-money policies.

Consolidated Balance Sheet

- Total assets of NN Group decreased by EUR 17.0 billion to EUR 161.7 billion compared with the first quarter of 2015 mainly driven by a decrease in the market value of debt securities
- Shareholders' equity decreased by EUR 4.5 billion to EUR 19.6 billion mainly reflecting a lower debt securities revaluation reserve and cash flow hedge reserve, driven by higher interest rates

| in EUR million | 30 Jun 15 | 31 Mar 15 | 31 Dec 14 | 30 Jun 15 | 31 Mar 15 | 31 Dec 14 |
|---|----------------|----------------|----------------|--|----------------|----------------|
| Assets | | | | | | |
| Cash and cash equivalents | 8,742 | 9,666 | 7,530 | Shareholders' equity (parent) | 19,602 | 24,122 |
| Financial assets at fair value through profit or loss | | | | Minority interests | 92 | 87 |
| - trading assets | 615 | 630 | 628 | Undated subordinated notes | 986 | 986 |
| - investments for risk of policyholders | 37,137 | 41,629 | 41,222 | Total equity | 20,680 | 25,195 |
| - non-trading derivatives | 4,994 | 7,267 | 7,207 | Subordinated loans | 2,292 | 2,294 |
| - designated as at fair value through profit or loss | 479 | 529 | 492 | Senior debt | 0 | 0 |
| Available-for-sale investments | | | | Debt securities issued | 597 | 597 |
| - debt securities | 66,322 | 74,269 | 65,991 | Other borrowed funds | 4,511 | 5,955 |
| - equity securities | 6,604 | 6,748 | 6,286 | Insurance and investment contracts | | |
| Loans | 28,368 | 28,899 | 27,802 | - life insurance provisions | 76,197 | 80,513 |
| Reinsurance contracts | 264 | 267 | 241 | - non-life insurance provisions | 3,749 | 3,866 |
| Associates and joint ventures | 1,703 | 1,627 | 1,617 | - provision for risk of policyholders | 37,195 | 41,692 |
| Real estate investments | 1,298 | 1,217 | 1,104 | - other | 768 | 770 |
| Property and equipment | 81 | 157 | 139 | Customer deposits and other funds on deposit | 7,977 | 7,653 |
| Intangible assets | 347 | 354 | 357 | Financial liabilities at fair value through profit or loss | | |
| Deferred acquisition costs | 1,499 | 1,543 | 1,403 | - non-trading derivatives | 2,083 | 2,112 |
| Assets held for sale | 0 | 0 | 0 | Liabilities held for sale | 0 | 0 |
| Other assets | 3,209 | 3,862 | 3,462 | Other liabilities | 5,613 | 8,018 |
| Total assets | 161,662 | 178,664 | 165,481 | Total liabilities | 140,982 | 153,469 |
| | | | | Total equity and liabilities | 161,662 | 178,664 |
| | | | | | | 165,481 |

Assets

Cash and cash equivalents

Cash and cash equivalents decreased by EUR 0.9 billion to EUR 8.7 billion mainly reflecting lower cash collateral related to non-trading derivatives.

Investments for risk of policyholders

Investments for risk of policyholders decreased by EUR 4.5 billion to EUR 37.1 billion mainly reflecting EUR 2.3 billion lower market values due to higher long-term interest rates and divestments of EUR 1.6 billion. 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 decreased by EUR 2.3 billion to EUR 5.0 billion, mainly reflecting negative revaluations on interest rate swaps as interest rates increased in the quarter.

Debt securities

Debt securities decreased by EUR 7.9 billion to EUR 66.3 billion mainly driven by EUR 7.2 billion lower market values as long-term interest rates increased in the quarter.

Liabilities

Other borrowed funds

Other borrowed funds decreased by EUR 1.4 billion to EUR 4.5 billion reflecting lower collateral related to the lower market value of non-trading derivatives.

Insurance and investment contracts

Insurance and Investment contracts decreased by EUR 8.9 billion to EUR 117.9 billion. This decline mainly reflects a EUR 4.5 billion decrease in the provision for risk of policyholders reflecting the lower investments for risk of policyholders and EUR 3.2 billion lower deferred interest crediting to policyholders following the decrease of the debt securities revaluation reserve and of the cash flow hedge reserve.

Equity

Shareholders' equity decreased by EUR 4.5 billion to EUR 19.6 billion, reflecting a EUR 5.4 billion decrease in the available-for-sale investments revaluation reserves and a EUR 1.4 billion decrease in the cash flow hedge reserve. This was partially offset by deferred interest crediting to life policyholders. In June 2015 NN Group paid the final dividend for 2014 for a total amount of EUR 193 million, of which EUR 140 million in cash. NN Group participated in the ING Group sell-down in May 2015 via a EUR 150 million share buy-back and repurchased from ING Group the same number of shares issued in relation to the stock dividend in June 2015 for a total amount of EUR 53 million to neutralise the dilutive effect of the stock dividend.

Changes in Shareholders' equity for the quarter and for the first six months of 2015 and for the previous full year were as follows:

| in EUR million ¹⁾ | 2Q15 | 6M15 | 12M14 |
|--|---------------|--------|--------|
| Shareholders' equity beginning of period | 24,122 | 20,355 | 14,062 |
| Net result for the period | 392 | 877 | 588 |
| Unrealised revaluations available-for-sale investments and other | -5,377 | -1,366 | 6,330 |
| Realised gains/losses transferred to the profit and loss account | -51 | -222 | 1 |
| Change in cash flow hedge reserve | -1,438 | -514 | 1,738 |
| Deferred interest crediting to life policyholders | 2,328 | 825 | -2,950 |
| Share of other comprehensive income of associates and joint ventures | -2 | 5 | 43 |
| Exchange rate differences | -125 | 143 | 117 |
| Remeasurement of the net defined benefit asset/liability | 48 | 26 | -121 |
| Capital contributions | 57 | 57 | 850 |
| Dividend | -140 | -140 | -315 |
| Purchase/sale treasury shares | -202 | -402 | 0 |
| Employee stock option & share plans | -10 | -8 | 12 |
| Coupon on undated subordinated notes | | -34 | 0 |
| Total changes | -4,520 | -753 | 6,293 |
| Shareholders' equity end of period | 19,602 | 19,602 | 20,355 |

The composition of Total equity at the end of the second quarter of 2015, at the end of the previous quarter and at the end of the previous year was as follows:

| in EUR million | 30 Jun 15 | 31 Mar 15 | 31 Dec 14 |
|--|---------------|-----------|-----------|
| Share capital | 42 | 42 | 42 |
| Share premium | 12,155 | 12,098 | 12,098 |
| Revaluation reserve available-for-sale investments and other | 3,925 | 7,036 | 4,639 |
| Revaluation reserve cash flow hedge | 3,950 | 5,388 | 4,464 |
| Currency translation reserve | -92 | 33 | -198 |
| Net defined benefit asset/liability remeasurement reserve | -92 | -140 | -118 |
| Retained earnings and other reserves | -286 | -335 | -572 |
| Shareholders' equity (parent) | 19,602 | 24,122 | 20,355 |
| Minority interests | 92 | 87 | 76 |
| Undated subordinated notes | 986 | 986 | 986 |
| Total equity | 20,680 | 25,195 | 21,417 |
| Shareholders' equity per share in EUR | 58 | 71 | 58 |

1) The regulatory capital base differs from IFRS shareholders' equity and is shown in the table on capital ratios on page 23

Capital Management

- NN Group IGD Solvency I ratio at 306% and NN Life solvency I ratio at 281%
- Cash capital position at the holding company increased to EUR 1.6 billion
- Interim dividend 2015 of EUR 0.46 per ordinary share
- Fixed-cost coverage ratio on a last 12 months basis improved to 12.9x

Capital ratios

| in EUR million | 30 Jun 15 | 31 Mar 15 | 30 Jun 14 |
|--|---------------|---------------|---------------|
| Shareholders' equity | 19,602 | 24,122 | 16,939 |
| Qualifying undated subordinated debt ¹⁾ | 1,823 | 1,823 | 1,809 |
| Qualifying dated subordinated debt ¹⁾ | 1,000 | 1,000 | 1,000 |
| Required regulatory adjustments | -8,131 | -10,209 | -7,288 |
| Total capital base (a) | 14,294 | 16,736 | 12,460 |
| EU required capital (b) | 4,673 | 4,990 | 4,578 |
| NN Group IGD Solvency I ratio (a/b) | 306% | 335% | 272% |
| NN Life Solvency I ratio | 281% | 296% | 250% |

1) Subordinated debt included at notional value in the IGD capital base

NN Group's IGD Solvency I ratio decreased to 306% at the end of the second quarter of 2015 from 335% at the end of the first quarter of 2015. This decrease was mainly driven by negative revaluations resulting from market movements, the EUR 150 million share buy-back from ING Group in May and the 2015 interim dividend to shareholders of EUR 156 million payable in September 2015. This was partly offset by the second-quarter net result of EUR 392 million.

The Solvency I ratio of NN Life decreased to 281% from 296% at the end of the first quarter 2015, mainly due to credit spread widening and higher interest rates as well as the deduction of a dividend of EUR 125 million paid to NN Group in July 2015, partly compensated by positive revaluations of private equity and real estate investments.

NN Group has applied for the usage of a Partial Internal Model for NN Group and the insurance entities in the Netherlands. The Solvency II capital ratio remains subject to significant uncertainties, including the final interpretations of the Solvency II regulations and the regulatory approval process.

Cash capital position at the holding company

| in EUR million | 2Q15 | 6M15 |
|--|--------------|--------------|
| Beginning of period | 1,439 | 1,413 |
| Cash divestment proceeds | 0 | 0 |
| Dividends from subsidiaries ¹⁾ | 480 | 840 |
| Capital injections into subsidiaries ²⁾ | -59 | -124 |
| Other ³⁾ | 39 | -27 |
| Free cash flow to the holding⁴⁾ | 459 | 688 |
| Capital flow from / (to) shareholders | -286 | -486 |
| Increase / (decrease) in debt and loans | 0 | -3 |
| End of period | 1,612 | 1,612 |

Note: cash capital is defined as net current assets available at the holding company

1) Includes interest on subordinated loans provided to subsidiaries by the holding company

2) Includes the change of subordinated loans provided to subsidiaries by the holding company

3) Includes interest on subordinated loans and debt, holding company expenses and other cash flows

4) Free cash flow to the holding company is defined as the change in cash capital position of the holding company over the period, excluding capital transactions with shareholders and debtholders

The cash capital position at the holding company increased from EUR 1,439 million at the end of the first quarter of 2015 to EUR 1,612 million at the end of the second quarter of 2015. Free cash flow to the holding amounted to EUR 459 million over the second quarter of 2015 mainly reflecting EUR 480 million of dividends received from

most segments. This was partly offset by a EUR 57 million capital injection into NN Bank using the proceeds of a capital injection from ING Group to fulfill a commitment to the European Commission.

Capital flows with shareholders amounted to EUR 286 million over the second quarter of 2015. This included the final dividend for 2014 for a total amount of EUR 193 million, of which EUR 140 million in cash. NN Group participated in the ING Group sell-down in May 2015 via a EUR 150 million share buy-back and repurchased ordinary shares from ING Group for a total amount of EUR 53 million to neutralise the dilutive effect of the stock dividend in June 2015. This was offset by a EUR 57 million capital injection by ING Group against issuance of ordinary shares to fulfill a commitment to the European Commission pertaining to the capitalisation of NN Bank.

Capital generation

| (in EUR millions) | 30 Jun 15 | | 31 Dec 14 | | Change 6M15 | | | Capital Generation 6M15 | Capital Generation 6M14 |
|---|-------------------|---|-------------------|---|-------------------|--------------------------------------|-----|-------------------------|-------------------------|
| | Available Capital | Available over Minimum Required Capital (a) | Available Capital | Available over Minimum Required Capital (b) | Change 6M15 (a-b) | Of which capital flows ¹⁾ | | | |
| Total of subsidiaries (excluding discontinued operations) ²⁾ | 13,688 | 8,829 | 13,480 | 8,668 | 161 | -686 | 847 | 8 | |
| of which NN Life ²⁾ | 8,378 | 5,437 | 8,028 | 5,048 | 389 | -370 | 759 | -68 | |

Note: capital generation for subsidiaries (excluding discontinued operations) is defined as the change of available capital over minimum required capital, excluding capital flows, according to local regulatory capital framework – figures are not final until filed with the regulators

1) Capital flows reflect capital injections (including subordinated loans) net of dividends (including interest on subordinated loans) for all subsidiaries (excluding discontinued operations)

2) The available capital at 31 December 2014 reflects the final figures filed with the regulators and also includes the EUR 350 million dividend paid by NN Life to NN Group in February 2015; The available capital at 30 June 2015 includes the EUR 125 million dividend paid by NN Life to NN Group in July 2015.

The capital generated by subsidiaries was EUR 847 million over the first six months of 2015. Capital was predominantly generated within NN Life (EUR 759 million) and reflects positive revaluations of public and private equity and real estate investments as well as tightening of credit spreads during the first quarter of 2015 which partly reversed in the second quarter of 2015.

Financial leverage

| in EUR million | 30 Jun 15 | 31 Mar 15 | 30 Jun 14 |
|---|---------------|---------------|---------------|
| Shareholders' equity | 19,602 | 24,122 | 16,939 |
| Adjustment for revaluation reserves ¹⁾ | -6,458 | -10,982 | -5,077 |
| Goodwill | -263 | -266 | -265 |
| Minority interests | 92 | 88 | 60 |
| Capital base for financial leverage (a) | 12,974 | 12,961 | 11,656 |
| Undated subordinated notes ²⁾ | 986 | 986 | 0 |
| Subordinated debt | 2,292 | 2,294 | 3,287 |
| Total subordinated debt | 3,277 | 3,280 | 3,287 |
| Debt securities issued (financial leverage) | 398 | 398 | 400 |
| Financial leverage (b) | 3,675 | 3,678 | 3,687 |
| Debt securities issued (operational leverage) | 199 | 199 | 0 |
| Total debt | 3,874 | 3,877 | 3,687 |
| Financial leverage ratio (b/(a+b)) | 22.1% | 22.1% | 24.0% |
| Fixed-cost coverage ratio ^{2,3)} | 12.9x | 11.8x | 6.5x |

1) Includes revaluations on debt securities, on the cash-flow hedge reserve and on the reserves crediting to life policyholders

2) The undated subordinated notes classified as equity are considered financial leverage in the calculation of the financial leverage ratio. The related interest is included on an accrual basis in the calculation of the fixed-cost coverage ratio

3) Measures the ability of earnings before interest and tax (EBIT) of ongoing business and Insurance Other to cover funding costs on financial leverage; calculated on a last 12-months basis

The financial leverage ratio of NN Group remained stable at 22.1% over the second quarter of 2015. The capital base for financial leverage was stable as the second-quarter net result of EUR 392 million was largely offset by capital flows to shareholders of EUR 286 million and currency revaluations.

The fixed-cost coverage ratio improved to 12.9x at the end of the second quarter (on a last 12-months basis) versus 11.8x at the end of the first quarter of 2015, mainly due to the increased result before tax.

Share buy-back

In May 2015, ING Group sold 45 million shares of NN Group at a price of EUR 25.46 per share. As part of this transaction, NN Group repurchased 5.9 million shares from ING Group for an aggregate amount of EUR 150 million. Following this sell-down, ING Group's retained minority stake in NN Group has been deconsolidated (in line with IFRS) and going forward will be accounted for as an Associate Held for Sale. As a consequence, the acquisition restriction no longer applies for NN Group. In June 2015, NN Group repurchased 2,114,271 ordinary shares from ING Group at the volume-weighted average share price of EUR 24.949, to neutralise the dilutive effect of the stock dividend on earnings per share. Following these transactions, ING Group further reduced its stake in NN Group to 37.6% of outstanding shares (net of treasury shares).

Interim dividend

Effective from 2015, NN Group intends to pay interim dividends calculated at approximately 40% of the prior year's full year dividend, barring unforeseen circumstances. NN Group will pay a 2015 interim dividend of EUR 0.46 per ordinary share, or EUR 156 million in total based on the current number of outstanding shares (net of treasury shares). The 2015 interim dividend will be paid either in cash or ordinary shares from the share premium reserve at the election of the shareholder. To neutralise the dilutive effect of the newly issued shares for the stock dividend on earnings per ordinary share, NN Group will repurchase ordinary shares from ING Group equal to the number of shares that NN Group will issue as stock dividend at a price similar to the price used to calculate the stock fraction for the stock dividend. The NN Group ordinary shares will be quoted ex-dividend on 10 August 2015. The record date for the dividend will be 11 August 2015. The election period will run from 10 August up to and including 31 August 2015. 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 25 August through 31 August 2015. The dividend will be payable on 7 September 2015.

In line with its dividend policy, NN Group intends to pay an ordinary dividend in line with its medium term financial performance and envisages an ordinary dividend pay-out ratio of 40-50% of the net operating result from ongoing business.

On 30 June 2015, NN Group paid a final dividend related to the second half year of 2014 of EUR 0.57 per ordinary share. Approximately 27% of shareholders elected to receive the dividend in ordinary shares. Consequently, 2,114,271 new ordinary shares were issued for the settlement of the stock dividend. The dilutive effect of the stock dividend on earnings per share was neutralised through the repurchase of shares from ING Group.

Share capital

On 30 June 2015, the total number of NN Group shares outstanding (net of treasury shares) was 338,576,478. The Executive Board of NN Group has decided to cancel 15,339,199 treasury shares, which NN Group has repurchased from ING Group. At the Annual General Meeting of 28 May 2015, authorisation was obtained to cancel treasury shares up to a maximum of 20% of the issued share capital of NN Group. This decision is subject to a two-months opposition period which will end on 15 September 2015. 976,394 treasury shares have been retained for purposes of settlements under share-based remuneration arrangements.

Credit ratings

| Credit ratings of NN Group N.V. at 5 August 2015 | Rating | Outlook |
|--|--------|---------|
| Standard & Poor's | A- | Stable |
| Moody's | Baa2 | Stable |

NN Group Profile

NN Group is an international insurance and investment management company, active in more than 18 countries, with a strong presence in a number of European countries and Japan. With around 12,000 employees the group offers retirement services, insurance, investments and banking to more than 15 million customers. NN Group includes Nationale-Nederlanden, NN (formerly known as ING Insurance) and NN Investment Partners (formerly known as ING Investment Management). NN Group is listed on Euronext Amsterdam (NN).

Investor conference call and webcast

Lard Friese and Delfin Rueda will host an analyst and investor conference call to discuss the 2Q15 results at 10:30am CET on Wednesday 5 August 2015. Members of the investment community can join the conference call at +31 20 531 5865 (NL), +44 203 365 3210 (UK), +1 866 349 6093 (US) or follow the webcast on www.nn-group.com.

Press call and webcast

Lard Friese and Delfin Rueda will host a press call to discuss the 2Q15 results at 12.30pm. CET on Wednesday 5 August 2015. Journalists can join the press call via + 31 20 531 5863 or follow the webcast on www.nn-group.com.

Financial calendar

- Publication 3Q15 results: Wednesday 4 November 2015 (provisional)
- Capital Markets Event: Thursday 19 November 2015 (provisional)

Contact information

Press enquiries

Ward Snijders
+31 6 4685 0950
ward.snijders@nn-group.com

Investor enquiries

Investor Relations
+31 88 663 5464
investor.relations@nn-group.com

Additional information on www.nn-group.com

- NN Group 2Q15 Financial Supplement, NN Group 2Q15 Analyst Presentation and NN Group 2Q15 Press Presentation
- Photos of NN Group executives, buildings and events are available for download at Flickr

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 NN Group N.V. condensed consolidated interim financial information for the period ended 30 June 2015.

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) the implementation of the EC Restructuring Plan, (5) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (6) the frequency and severity of insured loss events, (7) changes affecting mortality and morbidity levels and trends, (8) changes affecting persistency levels, (9) changes affecting interest rate levels, (10) changes affecting currency exchange rates, (11) changes in investor, customer and policyholder behaviour, (12) changes in general competitive factors, (13) changes in laws and regulations, (14) changes in the policies of governments and/or regulatory authorities, (15) conclusions with regard to accounting assumptions and methodologies, (16) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (17) changes in credit and financial strength ratings, (18) NN Group's ability to achieve projected operational synergies and (19) the other risks and uncertainties contained in recent public disclosures made by NN Group and/or related to NN Group.

Any forward-looking statements made by or on behalf of NN Group 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.