

NN Group reports 4Q15 and 2015 results

2015 operating result up 32%; Solvency II ratio at 239%

- 4Q15 operating result ongoing business of EUR 250 million, down 3.6% from 4Q14. Full-year 2015 operating result ongoing business of EUR 1,435 million, up 32.2%, with almost all segments reporting improved results
- Net result of EUR 360 million, up 82.2% from 4Q14. Full-year 2015 net result up to EUR 1,565 million from EUR 588 million in 2014
- Cost savings in the Netherlands of EUR 15 million in 4Q15 bringing the expense base down to EUR 803 million
- Strong capital position: Solvency II ratio at 239% at 4Q15 based on the Partial Internal Model, after deduction of the proposed final 2015 dividend of EUR 341 million
- Holding company cash capital higher at EUR 1,953 million, reflecting free cash flow at the holding company for full-year 2015 of EUR 1,366 million and EUR 849 million returned to shareholders in the form of dividends and share buybacks
- Final 2015 dividend proposal of EUR 1.05 per ordinary share, or EUR 341 million in total, bringing the full-year 2015 dividend to EUR 1.51 per ordinary share
- Full-year 2015 value of new business (VNB) at EUR 202 million, up 13.1%. New sales (APE) EUR 258 million, down 4.3% from 4Q14, at constant currencies, reflecting focus on profitable growth. Full-year 2015 sales down 3.1% to EUR 1,295 million, at constant currencies
- AuM at Asset Management EUR 187 billion, down 1.5% from 3Q15

Statement of Lard Frieze, CEO

‘We are pleased with the strong set of results for the fourth quarter and full-year 2015, as this demonstrates our steady progress in achieving our objectives to improve earnings and generate capital.

With around 11,500 employees, we aim to offer our customers value for money, with an approach that is committed, straightforward and personal. The process of rebranding our company to NN and our brand promise “You Matter” provides us with a clear and recognisable identity in all of the markets where we operate and unites our businesses and colleagues. The progress we have made on these fronts is reflected in higher employee engagement and Net Promotor Scores. Our continued focus on delivering excellent service to our customers, innovating our products and improving our business mix is reflected in a 13.1% increase of the value of new business to EUR 202 million in 2015.

As we continue to deliver on our medium-term objectives, there are areas where additional focus is needed. We are taking measures to improve the results of the Non-life business through better underwriting performance and a further reduction of expenses. We have already made progress by improving the claims handling processes and fine-tuning premium rates but there is still more to do. The challenging market environment has prompted us to sharpen the strategic focus of our asset management business for which we have taken a restructuring provision of EUR 13 million in the fourth quarter of 2015.

The capital generation of our businesses remains solid and our NN Group Solvency II ratio was a strong 239% at the end of 2015, based on our Partial Internal Model which was approved by the Dutch regulator in December 2015. We will propose a final 2015 dividend of EUR 1.05 per ordinary share at our Annual General Meeting of Shareholders on 2 June 2016. Together with the interim dividend paid in September 2015, this represents a pay-out ratio of 41% of the 2015 full-year net operating result of the ongoing business, and an increase of 32% compared with the annualised 2014 dividend per ordinary share.

In January 2016, we completed a EUR 250 million share buyback when ING Group sold down part of its shareholding in NN Group. Furthermore ING exchanged the final tranche of mandatory exchangeable subordinated notes of the three anchor investors into ordinary shares in NN Group and cash, bringing ING’s stake in NN Group to 14.1% of outstanding shares.

In 2016 we will build on our track record as we continue to focus on our financial targets while delivering an excellent customer experience, and achieve our ambition to be a company that truly matters in the lives of our stakeholders.’

NN Group key figures

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Operating result ongoing business	250	260	-3.6%	1,435	1,086	32.2%
Net result	360	197	82.2%	1,565	588	166.1%
Net operating ROE	7.5%	7.6%		10.8%	8.6%	
IGD Solvency I ratio ¹⁾	320%	300%		320%	300%	
Solvency II ratio ¹⁾	239%			239%		
New sales life insurance (APE)	258	264	-2.2%	1,295	1,315	-1.5%
Asset Management AuM (end of period, in EUR billion) ²⁾	187	195	-4.2%	187	195	-4.2%

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

2) AuM include the mortgage portfolio managed on behalf of NN Life and NN Non-life since 2Q14. The comparative figures have been restated accordingly.

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 our 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

Netherlands Life aims to benefit from its strong position in the pension market and selectively capture growth opportunities in the Dutch market, driven by the shift from defined benefit (DB) to defined contribution (DC) pension schemes. As part of the pension services, a social media campaign featuring retirees was recently launched in the Netherlands, with the aim of increasing pension awareness and encouraging people to think about pension planning. Furthermore AZL, NN Life's pension administrator, and NN Investment Partners launched a General Pension Fund (Algemeen Pensioenfonds or 'APF') in December 2015 ahead of the changes in regulations which became effective in January 2016. To realise its financial targets, Netherlands Life focuses on reducing expenses and gradually shifting to higher-yielding assets, such as mortgages and loans, in order to offset the negative impact of lower interest rates on the investment margin.

Netherlands Non-life

Netherlands Non-life aims to improve underwriting performance and to expand in specific market segments where there are clear opportunities for profitable growth. The continuing focus of the Non-life business on customer centricity and transparent customer communication has been rewarded by higher customer loyalty as measured by its gradually increasing Net Promoter Scores (NPS). An example of good communication is the policy conditions of the Home Insurance Product, which took second place in the National Writing Contest. Non-life not only focuses on exceeding customers' expectations, it also puts great effort into further improving its relationships with intermediaries, resulting in high satisfaction scores for the products and services of Movir, according to Kien (a market research company). Adfiz, another external benchmark, confirmed this success, with Movir receiving the award for 'The best performing D&A insurer' for the fifth year in a row and NN Non-life climbing in the rankings as the second best all-round intermediary insurer.

Insurance Europe

Insurance Europe aims to grow profitably through disciplined capital allocation and by leveraging its significant distribution platform. It continues to shift its business mix towards capital-light products and reposition its savings and retirement products in response to the low interest rate environment, changing regulations and customer behaviour. Spain recently launched Growing Guarantee savings products, which respond to the needs of our customers by guaranteeing their investment and offering upside potential, while at the same time being capital-light products that are less sensitive to interest rates. Poland adapted its flagship savings product to changing regulation while simultaneously improving the customer proposition with extensive protection cover and added services such as medical assistance. The Insurance Europe businesses will continue to enhance the customer experience, supported by new products and further digitalisation.

Japan Life

Japan Life continues to drive value through product innovation and expanding its distribution. In the fourth quarter of 2015, corporate-owned life insurance (COLI) protection sales increased by 56% at constant currencies compared with the fourth quarter of 2014, driven by new product launches, such as a new term product addressing death and severe disability needs of SME owners up to age 90, new training programmes and new sales tools. Bancassurance-COLI sales increased by 39% in the quarter, driven by the continuing expansion of the bank distribution network. In December 2015, Japan Life received the highest rating for its after-sales call centre from the Help Desk Institute-Japan for the third consecutive year. The call centre was awarded for its ability to provide appropriate solutions to businesses and for the extensive knowledge of its staff leading to an excellent customer experience.

Asset Management

Assets under Management decreased from EUR 190 billion to EUR 187 billion in the quarter as the market environment remained challenging. Asset Management aims to grow its Third-Party business by following a tailored approach for each client segment. It plans to protect and further expand its leading position and continues to develop a more distinct range of products. As part of its strategy enhancement, Asset Management is rationalising and creating scale in its product range and building on its areas of expertise. Examples are the Dutch Residential Mortgage Fund, jointly launched by NN Investment Partners (NN IP) and NN Bank with a first tranche of EUR 165 million of mortgage loans sold to the fund. NN IP also complemented its successful multi-asset range with the Multi-Asset High Income fund. The asset manager aims to create investment awareness among retail clients in its home markets, and has recently implemented several initiatives in partnership with the Dutch Association of Stockholders (VEB) and with Nibud (the independent institute for financial advice and planning).

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 10.5 billion from EUR 10.0 billion at the end of the third quarter of 2015. The bank also expanded its product offering by introducing a personal loan proposition. Customer deposits slightly decreased to EUR 8.0 billion at the end of the fourth quarter. NN Bank further diversified its funding mix by completing a second public RMBS transaction in the fourth quarter, raising an amount of EUR 550 million in funding from institutional investors. On 20 January 2016 Standard & Poor's (S&P) assigned single A/ A-1 long and short-term credit ratings to NN Bank with a stable outlook.

Consolidated results

Consolidated profit and loss account NN Group

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Netherlands Life	155	157	-1.1%	906	615	47.4%
Netherlands Non-life	28	35	-18.3%	122	128	-4.6%
Insurance Europe	48	40	19.4%	197	176	11.9%
Japan Life	27	12	127.8%	160	140	14.7%
Asset Management	21	41	-49.3%	129	158	-18.4%
Other	-29	-24		-79	-130	
Operating result ongoing business	250	260	-3.6%	1,435	1,086	32.2%
Non-operating items ongoing business	92	93	-1.7%	393	198	98.7%
of which gains/losses and impairments	7	5	41.2%	356	-28	
of which revaluations	37	21	75.9%	122	143	-14.6%
of which market & other impacts	47	67	-29.7%	-85	83	-202.5%
Japan Closed Block VA	24	-24		20	109	-81.6%
Special items before tax	-33	-58		-100	-687	
Result on divestments	12	-3		14	57	-76.4%
Result before tax from continuing operations	345	269	28.5%	1,761	762	131.1%
Taxation	-17	63	-126.1%	166	135	23.4%
Net result from continuing operations	362	205	76.1%	1,595	628	154.2%
Net result from discontinued operations	0	1	-100.0%	0	-16	
Minority interests	2	8	-76.8%	30	23	28.0%
Net result	360	197	82.2%	1,565	588	166.1%
Basic earnings per ordinary share in EUR ¹⁾	1.06	0.54	95.6%	4.51		

Key Figures

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Ongoing business						
Gross premium income	1,762	1,821	-3.2%	9,197	9,334	-1.5%
New sales life insurance (APE)	258	264	-2.2%	1,295	1,315	-1.5%
Value of new business				202	178	13.1%
Internal rate of return of new business				10.7%	11.0%	
Total administrative expenses	453	455	-0.5%	1,758	1,758	0.0%
Cost/income ratio (Administrative expenses/Operating income)	38.3%	37.6%		33.9%	36.2%	
Combined ratio (Netherlands Non-life) ²⁾	100.7%	99.4%		101.5%	99.4%	
Asset Management Assets under Management ³⁾	187	195	-4.2%	187	195	-4.2%
Life general account invested assets ³⁾	84	78	6.9%	84	78	6.9%
Investment margin/Life general account invested assets (bps) ⁴⁾	108	93				
Total provisions for insurance & investment contracts ³⁾	105	105	-0.2%	105	105	-0.2%
of which for risk policyholder ³⁾	25	28	-10.1%	25	28	-10.1%
NN Life Solvency I ratio ⁵⁾	299%	257%		299%	257%	
NN Life Solvency II ratio ⁵⁾	220%			220%		
Net operating result ⁶⁾	205	191	7.4%	1,165	806	44.5%
Net operating ROE ⁷⁾	7.5%	7.6%		10.8%	8.6%	
Japan Closed Block VA						
Account value	10,028	13,248	-24.3%	10,028	13,248	-24.3%
Number of policies	202,192	294,263	-31.3%	202,192	294,263	-31.3%
Total NN Group						
IGD Solvency I ratio ⁵⁾	320%	300%		320%	300%	
Solvency II ratio ⁵⁾	239%			239%		
Total assets ³⁾	162	165	-2.0%	162	165	-2.0%
Shareholders' equity	20,469	20,355	0.6%	20,469	20,355	0.6%
Employees (internal FTEs, end of period)	11,461	11,659	-1.7%	11,461	11,659	-1.7%

1) Basic earnings per ordinary share is calculated as the net result, adjusted for the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares)

2) Excluding Mandema and Zicht broker businesses

3) End of period, in EUR billion

4) Four-quarter rolling average

5) The solvency ratios are not final until filed with the regulators. Sol ratios are based on the partial internal model. The NN Life solvency ratios reflect the merger of Nationale-Nederlanden Levensverzekeringen Maatschappij N.V. and Nationale-Nederlanden Services N.V. The comparative figures have been restated accordingly

6) Net operating result of the ongoing business, adjusted for the accrued coupon on undated subordinated 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 subordinated notes classified in equity, divided by the average allocated equity of the ongoing business adjusted for revaluation reserves and excluding undated subordinated notes classified in equity

8) AuM include the mortgage portfolio managed on behalf of NN Life and NN Non-life since 2Q14. The comparative figures have been restated accordingly

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 decreased to EUR 250 million from EUR 260 million in the fourth quarter of 2014 reflecting a lower result at Asset Management, partly compensated by a higher result at Japan Life
- The result before tax increased to EUR 345 million from EUR 269 million in the fourth quarter of 2014, reflecting an improvement in all the line items, with the exception of operating result of ongoing business and markets & other impacts
- The full-year 2015 operating result of the ongoing business increased to EUR 1,435 million, up 32.2% from 2014, reflecting higher private equity dividends and lower administrative expenses in the Netherlands as well as benefits in the technical margin at Netherlands Life
- The expense base in the Netherlands amounted to EUR 803 million at the end of the fourth quarter of 2015 versus EUR 818 million at the end of the third quarter of 2015, both on a last 12-months basis
- New sales (APE) were EUR 258 million, down 4.3% from the fourth quarter of 2014 on a constant currency basis, due to lower sales in all Life segments
- Value of new business (VNB) for full-year 2015 was up 13.1% to EUR 202 million largely reflecting higher VNB at Insurance Europe and Japan Life

The operating result of the ongoing business was EUR 250 million, down 3.6% from the fourth quarter of 2014, mainly driven by a lower result at Asset Management, partly compensated by a higher result at Japan Life.

The administrative expenses in Netherlands Life, Netherlands Non-life and corporate/holding entities decreased in line with the target to achieve an administrative expense base of EUR 700 million by the end of 2018. At the end of the fourth quarter of 2015, the administrative expense base amounted to EUR 803 million versus EUR 818 million at the end of the third quarter of 2015, both on a last 12-months basis.

The operating result of Netherlands Life was broadly stable at EUR 155 million compared with EUR 157 million in the fourth quarter of 2014. The technical margin in the fourth quarter of 2015 includes EUR 25 million of benefits following updates to certain technical provisions. These were offset by lower private equity dividends, a EUR -13 million non-recurring adjustment in the investment margin and lower fees and premium-based revenues.

The operating result of Netherlands Non-life decreased to EUR 28 million from EUR 35 million in the fourth quarter of 2014 due to a less favourable claims experience in Property & Casualty (P&C) and lower investment income. The combined ratio increased to 100.7% from 99.4% in the fourth quarter of 2014.

The operating result of Insurance Europe was EUR 48 million, up from EUR 40 million in the fourth quarter of 2014, due to higher fees and premium-based revenues and lower administrative expenses.

The operating result of Japan Life increased to EUR 27 million from EUR 12 million in the fourth quarter of 2014. The increase reflects higher fees and premium-based revenues driven by higher in-force volumes as well as better mortality results partly offset by a lower investment margin.

The operating result of Asset Management decreased to EUR 21 million from EUR 41 million in the fourth quarter of 2014 reflecting lower fees and higher expenses including a EUR 13 million restructuring provision.

The operating result of the segment 'Other' decreased to EUR -29 million from EUR -24 million in the fourth quarter of 2014, reflecting a lower operating result at the reinsurance business. This was partly offset by lower holding expenses and a higher operating result at NN Bank.

The full-year 2015 operating result of the ongoing business increased to EUR 1,435 million from EUR 1,086 million in 2014. The result for 2015 reflects EUR 221 million large private equity dividends and EUR 75 million lower administrative expenses in the Netherlands. Furthermore, the 2015 result was supported by a total of EUR 52 million of benefits in the technical margin following updates to certain technical provisions in Netherlands Life, while 2014 was negatively impacted by a EUR 43 million addition to the unit-linked guarantee provision driven by a decrease in interest rates. Higher results at Insurance Europe and Japan Life and lower funding costs also contributed to the increased operating result, partly offset by a lower result at Asset Management, the reinsurance business and an unfavourable claims experience in P&C.

Result before tax

The result before tax from continuing operations for the fourth quarter of 2015 increased to EUR 345 million compared with EUR 269 million in the fourth quarter of 2014 supported by positive hedge-related results at Japan Closed Block VA.

Gains/losses and impairments were EUR 7 million compared with EUR 5 million in the fourth quarter of 2014. The current quarter reflects EUR 100 million of capital gains on debt and private equity securities partly offset by EUR 86 million of impairments on equity securities.

Revaluations amounted to EUR 37 million compared with EUR 21 million in the fourth quarter of 2014. The current quarter reflects EUR 44 million of positive revaluations on real estate.

Market and other impacts amounted to EUR 47 million compared with EUR 67 million in the fourth quarter of 2014. The result in the current quarter reflects the movement in the provision for guarantees on separate account pension contracts (net of hedging) in Netherlands Life.

The result before tax of Japan Closed Block VA was EUR 24 million compared with EUR -24 million in the fourth quarter of 2014, reflecting higher hedge-related results, partly offset by a lower operating result in line with the run-off of the portfolio.

Special items amounted to EUR -33 million compared with EUR -58 million in the fourth quarter of 2014. Special items in the current quarter consist of EUR 20 million expenses related to the rebranding of NN Group's subsidiaries and EUR 13 million restructuring expenses related to the target to reduce the administrative expense base of Netherlands Life, Netherlands Non-life and corporate/holding entities to EUR 700 million by the end of 2018. To achieve this target, NN Group expects to incur restructuring expenses of EUR 30-35 million per annum over the years 2016, 2017 and 2018, which will be reported as special items.

The result on divestments amounted to EUR 12 million, reflecting the liquidation of the Regional Office Hong Kong and the sale of the private equity management company, Parcom Capital Management.

The full-year 2015 result before tax from continuing operations increased significantly to EUR 1,761 million from EUR 762 million in 2014, 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 and higher capital gains on debt and equity securities, as well as higher revaluations on real estate. These items were partly offset by a lower result of Japan Closed Block VA and negative market and other impacts reflecting the movement in the provision for guarantees on separate account pension contracts (net of hedging) in Netherlands Life as well as lower revaluations on private equity.

Net result

The net result from continuing operations increased to EUR 362 million from EUR 205 million in the fourth quarter of 2014. This reflects the increase in the result before tax from continuing operations and the recognition of deferred tax assets for previously incurred unused tax losses, as well as tax-exempt dividends and capital gains in the Netherlands mainly related to shareholdings of 5% or more. The effective tax rate for the full year 2015 was 9.4% predominantly for the same reasons.

Sales

Total new sales (APE) at NN Group were EUR 258 million, down 4.3% from the fourth quarter of 2014 on a constant currency basis. New sales declined at Netherlands Life (9.1%), at Insurance Europe (3.7%) and at Japan Life (4.1%). The lower new sales at the international units reflect actions to preserve margins in a low interest rate environment.

In 2015, total new sales amounted to EUR 1,295 million, down 3.1% compared with 2014, on a constant currency basis, reflecting lower sales at Insurance Europe (5.6%) and Japan Life (3.3%), partly compensated by higher sales in Netherlands Life (2.6%).

The value of new business (VNB) for 2015 amounted to EUR 202 million, up 13.1% from EUR 178 million in 2014. The new business metrics for 2015 have been calculated in line with NN Group's pricing methodology. The 2014 new business metrics have been restated for comparability. The increase primarily reflects higher VNB at Insurance Europe and Japan Life driven by a shift to higher margin products, partially offset by lower VNB at Netherlands Life due to an overall decline in interest rates. The internal rate of return (IRR) on new sales slightly decreased to 10.7% from 11.0% in 2014.

Net operating Return On Equity (ROE)

The net operating ROE of the ongoing business of NN Group was broadly stable at 7.5% compared with 7.6% in the fourth quarter of 2014. The net operating ROE of the ongoing business for the full-year increased from 8.6% to 10.8% in 2015, reflecting the improved profitability of the business.

Other events**EU Transparency Directive**

NN Group announces that the Netherlands is its Home Member State for the purpose of the EU Transparency Directive.

Netherlands Life

- Operating result was broadly stable at EUR 155 million compared with EUR 157 million in the fourth quarter of 2014, driven by a higher technical margin partly offset by lower private equity dividends and lower fees and premium-based revenues
- Result before tax decreased to EUR 227 million from EUR 235 million in the fourth quarter of 2014, due to lower non-operating items
- Full-year 2015 operating result increased to EUR 906 million from EUR 615 million in 2014, supported by EUR 195 million of private equity dividends and a higher technical margin
- Full-year 2015 administrative expenses down 5.8% to EUR 431 million
- NN Life Solvency II ratio of 220% at 4Q15 based on the Partial Internal Model

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Investment margin	143	175	-18.0%	825	630	30.9%
Fees and premium-based revenues	75	95	-21.2%	354	404	-12.5%
Technical margin	56	15	280.2%	207	102	102.5%
Operating income non-modelled business	0	0		0	0	
Operating income	274	285	-3.6%	1,385	1,136	21.9%
Administrative expenses	109	114	-4.7%	431	457	-5.8%
DAC amortisation and trail commissions	11	14	-22.4%	48	64	-25.0%
Expenses	120	128	-6.7%	479	521	-8.1%
Operating result	155	157	-1.1%	906	615	47.4%
Non-operating items	81	88	-7.9%	325	115	182.2%
of which gains/losses and impairments	-2	0		280	-62	
of which revaluations	36	23	59.1%	130	139	-6.6%
of which market & other impacts	47	65	-27.9%	-85	38	-321.3%
Special items before tax	-9	-10		-11	-352	
Result on divestments	1	0		2	0	
Result before tax	227	235	-3.3%	1,222	377	223.9%
Taxation	0	52	-100.4%	112	41	171.7%
Minority interests	2	7	-71.0%	27	9	203.2%
Net result	225	176	27.7%	1,083	327	231.0%
New business						
Single premiums	91	99	-7.5%	806	649	24.2%
Regular premiums	13	14	-10.2%	172	182	-5.2%
New sales life insurance (APE)	22	24	-9.1%	253	247	2.6%
Value of new business				6	14	-57.8%
Internal rate of return				8.5%	11.2%	
Key figures						
Gross premium income	375	492	-23.7%	2,689	3,084	-12.8%
Total administrative expenses	109	114	-4.7%	431	457	-5.8%
Cost/income ratio (Administrative expenses/Operating income)	39.8%	40.0%		31.1%	40.2%	
Life general account invested assets ¹⁾	62	58	7.5%	62	58	7.5%
Investment margin/Life general account invested assets (bps) ²⁾	136	111				
Total provisions for insurance & investment contracts ¹⁾	72	73	-1.9%	72	73	-1.9%
of which for risk policyholder ¹⁾	18	20	-14.1%	18	20	-14.1%
Allocated equity (end of period)	13,859	14,255	-2.8%	13,859	14,255	-2.8%
Net operating ROE ³⁾	7.9%	7.3%		11.5%	7.7%	
NN Life Solvency I ratio ⁴⁾	299%	257%		299%	257%	
NN Life Solvency II ratio ⁴⁾	220%			220%		
Employees (internal FTEs, end of period)	2,083	2,174	-4.2%	2,083	2,174	-4.2%

1) End of period, in EUR billion

2) Four-quarter rolling average

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

4) The solvency ratios are not final until filed with the regulators. Solvency II ratio is based on the partial internal model. The NN Life solvency ratios reflect the merger of Nationale-Nederlanden Levensverzekeringen Maatschappij N.V. and Nationale-Nederlanden Services N.V. The comparative figures have been restated accordingly

The operating result of Netherlands Life was broadly stable at EUR 155 million compared with EUR 157 million in the fourth quarter of 2014. The technical margin in the fourth quarter of 2015 includes EUR 25 million of benefits following updates to certain technical provisions. These were offset by lower private equity dividends, a EUR -13 million non-recurring adjustment in the investment margin and lower fees and premium-based revenues.

The investment margin decreased to EUR 143 million from EUR 175 million in the fourth quarter of 2014. The fourth quarter of 2015 reflects a non-recurring adjustment of EUR -13 million related to mortgage amortisation, while the fourth quarter of 2014 included a EUR 23 million private equity dividend. An increased allocation to higher-yielding assets helped to offset the impact of the low interest rate environment on reinvestments. The investment spread, calculated on a four-quarter rolling average, increased to 136 basis points from 111 basis points in the fourth quarter of 2014.

Fees and premium-based revenues decreased to EUR 75 million from EUR 95 million in the fourth quarter of 2014, reflecting a EUR 5 million one-time shift of certain items from fees and premium-based revenues to the technical margin, lower individual pension sales and lower margins in the pension business as well as the individual life closed book run-off.

The technical margin increased to EUR 56 million from EUR 15 million in the fourth quarter of 2014. The fourth quarter of 2015 included EUR 25 million of benefits following updates to certain technical provisions and the aforementioned EUR 5 million shift from fees and premium-based revenues to the technical margin, partly offset by lower mortality results. The fourth quarter of 2014 included a EUR 19 million addition to the unit-linked guarantee provision due to a decrease in interest rates.

Administrative expenses decreased to EUR 109 million from EUR 114 million in the fourth quarter of 2014, supported by lower staff costs.

DAC amortisation and trail commissions decreased to EUR 11 million from EUR 14 million in the fourth quarter of 2014, reflecting the run-off of the individual life closed book and regulatory changes.

The result before tax was EUR 227 million compared with EUR 235 million in the fourth quarter of 2014. Gains/losses and impairments were EUR -2 million reflecting impairments on public equities partly offset by capital gains on debt securities and private equity. Revaluations were EUR 36 million compared with EUR 23 million in the fourth quarter of 2014, reflecting higher real estate revaluations. Market and other impacts were EUR 47 million compared with EUR 65 million in the fourth quarter of 2014. Both quarters were supported by a movement in the provision for guarantees on separate account pension contracts (net of hedging) following assumption updates. The fourth-quarter net result increased to EUR 225 million from EUR 176 million in the fourth quarter of 2014, reflecting the recognition of deferred tax assets for previously incurred unused tax losses as well as tax-exempt dividends and capital gains mainly related to shareholdings of 5% or more.

New sales (APE) were EUR 22 million compared with EUR 24 million in the fourth quarter of 2014.

Netherlands Life's full-year 2015 operating result increased to EUR 906 million from EUR 615 million in 2014, primarily driven by a higher investment margin which benefited from EUR 195 million of private equity dividends. The technical margin increased supported by a total of EUR 52 million of benefits following updates to certain technical provisions, while 2014 was negatively impacted by a EUR 43 million addition to the unit-linked guarantee provision due to a decrease in interest rates.

The full-year 2015 result before tax was EUR 1,222 million compared with EUR 377 million in 2014, 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 non-operating items improved to EUR 325 million compared with EUR 115 million in 2014, mainly driven by higher capital gains on public and private equity and debt securities partly offset by movements in the provision for guarantees on separate account pension contracts (net of hedging).

New sales (APE) were relatively flat at EUR 253 million compared with EUR 247 million in 2014. A EUR 420 million single premium relating to the pension fund buy-out of a large company pension fund was offset by lower group pension renewals and lower sales of individual contracts.

The value of new business (VNB) for 2015 decreased to EUR 6 million from EUR 14 million in 2014, largely due to the renewal of a few large group pension contracts on more favourable terms in 2014 and due to an overall decline in interest rates. For the same reasons, the internal rate of return (IRR) decreased to 8.5% from 11.2% in 2014.

Netherlands Non-life

- Operating result of EUR 28 million down from EUR 35 million in the fourth quarter of 2014, due to less favourable claims experience in P&C
- Combined ratio of 100.7% versus 99.4% in the fourth quarter of 2014
- Full-year 2015 operating result lower at EUR 122 million compared with EUR 128 million in 2014, as higher investment income and improved results in Motor were offset by lower results in other P&C business lines

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Earned premiums	369	377	-2.1%	1,503	1,525	-1.5%
Investment income	29	31	-7.4%	139	114	21.9%
Other income	2	1	148.8%	4	0	
Operating income	400	409	-2.2%	1,646	1,640	0.4%
Claims incurred, net of reinsurance	260	259	0.3%	1,065	1,049	1.5%
Acquisition costs	58	59	-0.8%	239	245	-2.6%
Administrative expenses	54	57	-5.6%	223	222	0.4%
Acquisition costs and administrative expenses	112	116	-3.1%	461	467	-1.2%
Expenditure	372	375	-0.7%	1,526	1,516	0.7%
Operating result insurance businesses	28	34	-18.4%	119	123	-3.2%
Operating result broker businesses	1	1	-13.6%	2	4	-45.0%
Total operating result	28	35	-18.3%	122	128	-4.6%
Non-operating items	5	0		22	10	112.7%
of which gains/losses and impairments	3	0		19	-3	
of which revaluations	2	0		3	14	-79.1%
of which market & other impacts	0	0		0	0	
Special items before tax	-4	-6		-6	-97	
Result on divestments	0	0		0	0	
Result before tax	29	29	0.2%	138	41	233.1%
Taxation	1	6	-87.4%	16	4	355.8%
Minority interests	0	0		0	0	
Net result	28	23	24.2%	122	38	221.6%
Key figures						
Gross premium income	237	239	-1.0%	1,534	1,566	-2.0%
Total administrative expenses ¹⁾	70	76	-7.7%	292	294	-0.9%
Combined ratio ²⁾	100.7%	99.4%		101.5%	99.4%	
of which Claims ratio ²⁾	70.3%	68.7%		70.8%	68.8%	
of which Expense ratio ²⁾	30.4%	30.7%		30.7%	30.6%	
Total insurance provisions ³⁾	3	3	-0.1%	3	3	-0.1%
Allocated equity (end of period)	747	760	-1.7%	747	760	-1.7%
Net operating ROE ⁴⁾	22.0%	27.3%		24.4%	23.3%	
Employees (internal FTEs, end of period)	1,674	1,708	-2.0%	1,674	1,708	-2.0%

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 decreased to EUR 28 million from EUR 35 million in the fourth quarter of 2014, which included more favourable results in Property & Casualty (P&C). The combined ratio increased to 100.7% from 99.4% in the fourth quarter of 2014.

The operating result in Disability & Accident (D&A) remained stable at EUR 21 million. The D&A combined ratio improved slightly to 100.8% from 101.4% in the fourth quarter of 2014.

The operating result in P&C decreased to EUR 6 million from EUR 13 million in the fourth quarter of 2014, which included higher results in the Motor and Miscellaneous portfolios. The operating result on the Fire portfolio was higher at EUR 11 million compared with EUR 7 million in the fourth quarter of 2014 driven by favourable claims development as a result of fewer large and weather-related claims. The P&C combined ratio increased to 100.7% from 97.8% in the fourth quarter of 2014.

Administrative expenses decreased to EUR 54 million from EUR 57 million in the fourth quarter of 2014 mainly due to lower IT expenses.

The result before tax of Netherlands Non-life remained stable at EUR 29 million in the fourth quarter of 2015, as the lower operating result was compensated by higher gains on private equity. The fourth-quarter net result increased to EUR 28 million from EUR 23 million in the fourth quarter of 2014, reflecting the recognition of deferred tax assets for previously incurred unused tax losses as well as tax-exempt dividends and capital gains mainly related to shareholdings of 5% or more.

The full-year 2015 operating result of Netherlands Non-life was EUR 122 million compared with EUR 128 million in 2014, as EUR 26 million of private equity dividends and improved results in Motor were offset by less favourable results in Miscellaneous and an unfavourable claims experience in Fire due to large and weather-related claims in 2015. The full-year 2015 combined ratio was 101.5% compared with 99.4% in 2014.

The full-year 2015 result before tax increased to EUR 138 million compared with EUR 41 million in 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.

Insurance Europe

- Operating result increased to EUR 48 million from EUR 40 million in the fourth quarter of 2014, mainly reflecting higher fees and premium-based revenues and lower administrative expenses
- Full-year 2015 operating result was EUR 197 million, up 11.9% from 2014, driven by higher fees and premium-based revenues, and lower DAC amortisation and trail commissions, partly offset by a lower investment margin
- The value of new business (VNB) increased to EUR 96 million from EUR 74 million in 2014

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Investment margin	22	21	4.2%	80	90	-10.7%
Fees and premium-based revenues	134	132	1.9%	536	518	3.5%
Technical margin	48	49	-1.7%	194	194	-0.1%
Operating income non-modelled business	1	1	-24.8%	4	4	-13.5%
Operating income Life Insurance	206	203	1.1%	814	806	1.0%
Administrative expenses	81	84	-3.8%	306	310	-1.2%
DAC amortisation and trail commissions	78	77	0.5%	315	322	-2.1%
Expenses Life Insurance	158	161	-1.7%	621	632	-1.7%
Operating result Life Insurance	47	42	12.0%	193	174	10.6%
Non-life operating result	1	-2		4	1	183.4%
Operating result	48	40	19.4%	197	176	11.9%
Non-operating items	-7	0		21	66	-67.3%
of which gains/losses and impairments	-6	-3		17	21	-18.2%
of which revaluations	0	0		5	1	
of which market & other impacts	0	2	-100.0%	0	44	-100.0%
Special items before tax	-12	-12		-50	-32	
Result on divestments	0	-2		0	-2	
Result before tax	30	26	16.0%	168	207	-18.8%
Taxation	-20	1		19	46	-58.0%
Minority interests	0	2	-100.0%	3	14	-79.8%
Net result	50	23	117.1%	146	146	-0.4%
New business						
Single premiums	302	341	-11.6%	996	1,094	-8.9%
Regular premiums	101	105	-4.2%	394	418	-5.8%
New sales life insurance (APE)	131	140	-6.0%	494	528	-6.4%
Value of new business				96	74	28.8%
Internal rate of return				10.5%	9.6%	
Key figures						
Gross premium income	601	618	-2.7%	2,277	2,327	-2.2%
Total administrative expenses (Life & Non-life)	85	90	-6.0%	322	331	-2.5%
Cost/income ratio (Administrative expenses/Operating income)	37.8%	40.5%		36.1%	37.7%	
Life general account invested assets ¹⁾	10	11	-8.7%	10	11	-8.7%
Investment margin/Life general account invested assets (bps) ²⁾	74	76				
Total provisions for insurance & investment contracts ¹⁾	18	19	-4.8%	18	19	-4.8%
of which for risk policyholder ¹⁾	7	7	0.4%	7	7	0.4%
Assets under management pensions ¹⁾³⁾	15	14	2.6%	15	14	2.6%
Allocated equity (end of period)	1,988	2,103	-5.5%	1,988	2,103	-5.5%
Net operating ROE ⁴⁾	10.6%	8.0%		10.0%	8.4%	
Employees (internal FTEs, end of period)	4,042	4,085	-1.1%	4,042	4,085	-1.1%

1) End of period, in EUR billion

2) Four-quarter rolling average

3) 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

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 Insurance Europe increased to EUR 48 million from EUR 40 million in the fourth quarter of 2014, due to higher fees and premium-based revenues and lower administrative expenses.

The investment margin increased slightly to EUR 22 million from EUR 21 million in the fourth quarter of 2014, reflecting higher dividend income offsetting the lower reinvestment rates and lower invested volumes.

Fees and premium-based revenues increased to EUR 134 million from EUR 132 million in the fourth quarter of 2014 reflecting higher premium-based revenues related to traditional life as well as unit-linked and universal life insurance products.

The technical margin slightly decreased to EUR 48 million from EUR 49 million in the fourth quarter of 2014.

Administrative expenses decreased to EUR 81 million from EUR 84 million in the fourth quarter of 2014.

DAC amortisation and trail commissions increased slightly to EUR 78 million from EUR 77 million in the fourth quarter of 2014.

The result before tax increased to EUR 30 million from EUR 26 million in the fourth quarter of 2014, driven by the higher operating result, partly offset by lower non-operating items. The current quarter includes a EUR 3 million impairment and a EUR 3 million loss, both on equity securities. Special items in the current quarter were EUR 12 million and reflect the rebranding expenses across the region.

The net result increased to EUR 50 million from EUR 23 million in the fourth quarter of 2014, reflecting the recognition of a deferred tax asset for unused tax losses.

New sales (APE) were EUR 131 million, down 3.7% compared with the fourth quarter of 2014, excluding currency effects, reflecting product management actions to preserve margins in a low interest rate environment.

The full-year 2015 operating result of Insurance Europe was EUR 197 million compared with EUR 176 million in 2014. The increase was driven by higher premium-based revenues related to traditional life and higher fees on assets under management, as well as lower DAC amortisation and trail commissions. This more than offset the lower investment margin on lower reinvestment rates and lower invested volumes, and the negative impact of the pension reforms in Poland.

The result before tax for the full-year 2015 decreased to EUR 168 million from EUR 207 million in 2014, which included a refund received from the guarantee fund in Poland. The higher operating result was partly offset by an increase in special items due to the rebranding expenses incurred in 2015.

The full-year 2015 new sales (APE) decreased to EUR 494 million from EUR 528 million in 2014, mainly due to actions to preserve margins in a low interest rate environment. Sales of life protection products were up 9.3% year-on-year, excluding currency impacts, driven by a large group contract in Spain, and were up 1.3% excluding this contract.

The value of new business (VNB) for 2015 increased to EUR 96 million from EUR 74 million in 2014, reflecting a shift in business mix toward higher margin products partially offset by the impact of lower interest rates. For the same reasons, the internal rate of return (IRR) on new sales increased to 10.5% in 2015 from 9.6% in 2014.

Japan Life

- Operating result was EUR 27 million, up 108.3% from the fourth quarter of 2014, excluding currency effects, reflecting higher fees and premium-based revenues and an improved technical margin, partly offset by a lower investment margin
- Full-year 2015 operating result was EUR 160 million, up 9.4% compared with 2014, excluding currency effects
- The value of new business (VNB) for 2015 increased to EUR 100 million, from EUR 89 million in 2014

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results¹⁾						
Investment margin	-5	0		-15	-2	
Fees and premium-based revenues	102	89	14.5%	503	437	15.1%
Technical margin	-4	-13		-15	-13	
Operating income non-modelled business	0	0		0	0	
Operating income	93	76	22.9%	473	422	12.1%
Administrative expenses	26	26	1.5%	107	97	9.2%
DAC amortisation and trail commissions	39	38	4.6%	206	185	11.7%
Expenses	66	64	3.3%	313	282	10.9%
Operating result	27	12	127.8%	160	140	14.7%
Non-operating items	-9	4	-343.9%	-9	1	
of which gains/losses and impairments	-9	5	-283.0%	6	3	89.8%
of which revaluations	0	-1		-14	-2	
of which market & other impacts	0	0		0	0	
Special items before tax	-2	-1		-10	-2	
Result on divestments	0	0		0	0	
Result before tax	16	14	11.4%	141	139	1.7%
Taxation	5	5	1.4%	26	48	-46.7%
Minority interests	0	0		0	0	
Net result	10	9	17.4%	116	91	27.5%
New business¹⁾						
Single premiums	3	7	-64.0%	15	48	-68.1%
Regular premiums	105	100	5.2%	547	536	2.1%
New sales life insurance (APE)	105	100	4.6%	549	541	1.5%
Value of new business				100	89	11.4%
Internal rate of return				13.3%	13.9%	
Key figures¹⁾						
Gross premium income	543	462	17.6%	2,678	2,323	15.3%
Total administrative expenses	26	26	1.5%	107	97	9.2%
Cost/income ratio (Administrative expenses/Operating income)	28.0%	34.2%		22.6%	23.0%	
Life general account invested assets ²⁾	11	9	22.8%	11	9	22.8%
Total provisions for insurance & investment contracts ²⁾	10	8	25.6%	10	8	25.6%
of which for risk policyholder ²⁾	0	0		0	0	
Allocated equity (end of period)	1,879	1,579	19.0%	1,879	1,579	19.0%
Net operating ROE ³⁾	5.5%	2.5%		8.6%	7.9%	
Employees (internal FTEs, end of period)	616	614	0.3%	616	614	0.3%

1) JPY/EUR average FX rates: 132.24 (4Q15), 142.83 (4Q14) and JPY/EUR end of period FX rates: 131.14 (4Q15), 145.12 (4Q14)

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

The operating result of Japan Life increased to EUR 27 million from EUR 12 million in the fourth quarter of 2014, reflecting higher fees and premium-based revenues and an improved technical margin, partly offset by a lower investment margin.

The investment margin decreased to EUR -5 million from EUR 0 million in the fourth quarter of 2014, due to lower interest rates on reinvested assets.

Fees and premium-based revenues were EUR 102 million, up 4.9% from the fourth quarter of 2014, excluding currency effects, driven by higher in-force volumes.

The technical margin improved to EUR -4 million compared with EUR -13 million in the fourth quarter of 2014, reflecting a higher mortality result.

Administrative expenses were EUR 26 million, down slightly compared with the fourth quarter of 2014, on a constant currency basis.

DAC amortisation and trail commissions were EUR 39 million, down 4.0% compared with the fourth quarter of 2014, excluding currency effects.

The result before tax increased to EUR 16 million compared with EUR 14 million in the fourth quarter of 2014 driven by the improved operating result partly offset by a EUR 9 million impairment.

New sales (APE) were EUR 105 million, down 4.1% from the fourth quarter of 2014, at constant currencies, reflecting actions to preserve margins in a low interest rate environment.

The full-year 2015 operating result of Japan Life was EUR 160 million, up 9.4% compared with 2014, excluding currency effects. The improved result reflects an increase in fees and premium-based revenues on continuous strong sales and higher in-force volumes. This was partly offset by higher administrative expenses as 2014 benefited from a EUR 6 million one-off release of a pension liability, as well as a lower investment margin due to lower interest rates on reinvested assets.

The result before tax for the full-year 2015 was EUR 141 million, down 2.8% from 2014, excluding currency effects, reflecting negative revaluations and higher special items for rebranding the business in 2015.

The full-year 2015 net result increased to EUR 116 million from EUR 91 million in 2014, reflecting the release of deferred tax liabilities caused by a reduction in the statutory tax rate as of April 2015.

New sales (APE) for full-year 2015 were EUR 549 million, down 3.3% compared with 2014, at constant currencies.

The value of new business (VNB) for 2015 increased to EUR 100 million, from EUR 89 million in 2014, as a shift to higher margin products more than compensated the impact of lower interest rates. The internal rate of return (IRR) on new sales in 2015 decreased to 13.3% from 13.9% in 2014.

Asset Management

- Total Assets under Management (AuM) decreased to EUR 187 billion from EUR 190 billion at the end of the third quarter of 2015
- Operating result decreased to EUR 21 million from EUR 41 million in the fourth quarter of 2014 due to lower fees and higher expenses reflecting a EUR 13 million restructuring provision
- Full-year 2015 operating result was EUR 129 million, compared with EUR 158 million for 2014, as higher fee income on higher average AuM was more than offset by an increase in administrative expenses

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Investment income	0	0		0	0	
Fees	119	129	-8.2%	496	486	2.0%
Operating income	119	129	-7.9%	496	486	2.1%
Administrative expenses	98	88	11.2%	367	328	11.9%
Operating result	21	41	-49.3%	129	158	-18.4%
Non-operating items	0	0	-13.1%	0	0	9.6%
of which gains/losses and impairments	0	0	-13.1%	0	0	9.6%
of which revaluations	0	0		0	0	
of which market & other impacts	0	0		0	0	
Special items before tax	-6	-2		-23	-124	
Result on divestments	0	0		0	-2	
Result before tax	15	38	-60.3%	106	31	237.3%
Taxation	0	10	-97.7%	24	5	341.6%
Minority interests	0	0		0	0	
Net result¹⁾	15	29	-47.6%	82	26	215.5%
Key figures						
Total administrative expenses	98	88	11.2%	367	328	11.9%
Cost/income ratio (Administrative expenses/Operating income)	82.4%	68.2%		74.0%	67.5%	
Net inflow Assets under Management (in EUR billion)	-4	0		-9	-2	
Assets under Management ²⁾⁴⁾	187	195	-4.2%	187	195	-4.2%
Fees/average Assets under Management (bps)	25	27		25	27	
Allocated equity (end of period)	392	386	1.4%	392	386	1.4%
Net operating ROE ³⁾	19.8%	31.5%		25.3%	32.4%	
Employees (internal FTEs, end of period)	1,180	1,151	2.5%	1,180	1,151	2.5%

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

4) AuM include the mortgage portfolio managed on behalf of NN Life and NN Non-life since 2Q14. The comparative figures have been restated accordingly

In EUR billion	4Q15	4Q14	Change	FY15	FY14	Change
AuM roll-forward						
Beginning of period	190	189	0.5%	195	174	12.0%
Net inflow	-4	0		-9	-2	
Acquisition / Divestments	0	0		0	2	
Market performance (incl. FX impact) and Other	2	6		1	21	
End of period	187	195	-4.2%	187	195	-4.2%

Total Assets under Management (AuM) at Asset Management were EUR 187 billion at the end of the fourth quarter of 2015, down from EUR 190 billion at the end of the third quarter of 2015. The decrease reflects net outflows of Third-Party assets of EUR 4.1 billion, partly offset by positive market performance of EUR 1.6 billion. The opening balance of AuM has been adjusted by EUR 9.8 billion in Proprietary assets to include the mortgage portfolio managed on behalf of NN Life and NN Non-life as from the second quarter of 2014. The comparative figures have been restated accordingly.

The fourth-quarter 2015 operating result decreased to EUR 21 million from EUR 41 million in the fourth quarter of 2014 due to lower fees and an increase in expenses.

Fees were EUR 119 million, down 8.2% compared with the fourth quarter of 2014, as a result of lower average AuM during the fourth quarter of 2015. The fourth quarter of 2014 included EUR 4 million non-recurring income.

Administrative expenses were EUR 98 million, up from EUR 88 million in the fourth quarter of 2014. The current quarter includes a EUR 13 million restructuring provision, which was partly offset by lower staff-related costs.

The result before tax was EUR 15 million versus EUR 38 million in the fourth quarter of 2014, mainly reflecting the lower operating result. The current quarter includes special items of EUR -6 million, compared with EUR -2 million in the fourth quarter of 2014, reflecting expenses for rebranding the business from ING Investment Management to NN Investment Partners.

The full-year 2015 operating result of Asset Management was EUR 129 million, down from EUR 158 million for 2014. Higher average AuM led to higher fee income, which was more than offset by an increase in administrative expenses, mainly reflecting EUR 17 million of restructuring expenses while 2014 benefited from releases of personnel provisions of EUR 10 million.

The result before tax for 2015 was EUR 106 million, compared with EUR 31 million for 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 decreased to EUR -29 million from EUR -24 million in the fourth quarter of 2014
- Operating result of the reinsurance business decreased to EUR -7 million from EUR 4 million in the fourth quarter of 2014 which benefited from assumption updates and due to lower underwriting results
- NN Bank operating result increased to EUR 11 million, reflecting a higher interest margin, partly offset by higher expenses

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results						
Interest on hybrids and debt	-27	-26		-104	-122	
Investment income and fees	15	16	-5.4%	61	50	22.0%
Holding expenses	-19	-24		-73	-123	
Amortisation of intangible assets	-2	-2		-6	-7	
Holding result	-33	-36		-122	-201	
Operating result reinsurance business	-7	4	-268.2%	11	31	-66.0%
Operating result NN Bank	11	7	59.5%	37	27	39.0%
Other results	0	1	-86.3%	-4	13	-129.5%
Operating result	-29	-24		-79	-130	
Non-operating items	22	2		34	6	451.1%
of which gains/losses and impairments	21	3		35	14	148.1%
of which revaluations	0	-1		0	-8	
of which market & other impacts	0	0		0	0	
Special items before tax	0	-27		0	-80	
Result on divestments	12	0		11	6	98.4%
Result before tax	5	-49		-33	-198	
Taxation	-9	3	-386.8%	-20	-18	
Minority interests	0	0		0	0	
Net result	14	-52		-13	-180	
Key figures						
Total administrative expenses	64	60	6.6%	240	251	-4.1%
of which reinsurance business	3	4	-20.1%	11	13	-14.1%
of which NN Bank	40	31	28.4%	149	112	33.0%
NN Bank common equity Tier 1 ratio phased in ¹⁾	14.0%	14.1%		14.0%	14.1%	
NN Bank BIS ratio phased in ¹⁾	16.0%	15.6%		16.0%	15.6%	
Total assets NN Bank ²⁾	12	9	32.2%	12	9	32.2%
Net operating ROE NN Bank ³⁾	7.3%	5.8%		6.9%	5.6%	
Total provisions for insurance and investment contracts ²⁾	1	1	-2.7%	1	1	-2.7%
Employees (internal FTEs, end of period)	1,763	1,838	-4.1%	1,763	1,838	-4.1%

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' decreased to EUR -29 million from EUR -24 million in the fourth quarter of 2014. Lower holding expenses and a higher operating result at NN Bank were more than offset by a lower operating result at the reinsurance business.

The holding result improved to EUR -33 million compared with EUR -36 million in the fourth quarter of 2014. Holding expenses decreased to EUR 19 million compared with EUR 24 million in the fourth quarter of 2014, reflecting cost reductions as well as a revised method for charging head office expenses to the segments.

The operating result of the reinsurance business decreased to EUR -7 million from EUR 4 million in the fourth quarter of 2014, due to lower underwriting results in the fourth quarter of 2015 and favorable mortality and lapse assumption updates in the VA Europe portfolio in the same quarter of 2014.

The operating result of NN Bank increased to EUR 11 million from EUR 7 million in the fourth quarter of 2014, reflecting a higher interest margin, partly offset by higher administrative expenses to support the bank's continued growth.

The result before tax of the segment 'Other' improved to EUR 5 million compared with EUR -49 million in the fourth quarter of 2014. The improvement reflects capital gains on the sale of government bonds in the fourth quarter of 2015, whereas the fourth quarter of 2014 included EUR -27 million of special items mainly related to the transformation programme in the Netherlands. The result on divestments in the fourth quarter of 2015 reflects the liquidation of the Regional Office Hong Kong and the sale of the private equity management company, Parcom Capital Management, to its directors in December 2015.

The operating result of the segment 'Other' for full-year 2015 improved to EUR -79 million from EUR -130 million in 2014. The holding result was favourably impacted by lower funding costs, higher interest income and lower holding expenses. Funding costs were lower as the interest on the undated subordinated notes issued in July 2014 is recognised through equity while the interest on the hybrid debt redeemed with these notes was recognised in the profit and loss account. The operating result of the reinsurance business decreased to EUR 11 million from EUR 31 million, due to lower underwriting results and the aforementioned favorable mortality and lapse assumption updates in 2014. NN Bank's operating result improved to EUR 37 million from EUR 27 million in 2014 as it successfully expanded its mortgage and customer savings activities.

The full-year 2015 result before tax improved to EUR -33 million compared with EUR -198 million for 2014, reflecting the improved operating result, higher non-operating items and EUR -80 million of special items in 2014 mainly related to the transformation programme in the Netherlands.

Japan Closed Block VA

- Result before tax improved to EUR 24 million from EUR -24 million in the fourth quarter of 2014, reflecting positive hedge results
- Portfolio run-off resulted in a 8.0% decrease in the number of policies compared with the third quarter of 2015, and a 31.3% decrease compared with the fourth quarter of 2014
- Full-year 2015 result before tax decreased to EUR 20 million and includes a EUR -55 million hedge-related result as well as a EUR 12 million reserve decrease on higher lapse assumptions for out-of-the-money policies

In EUR million	4Q15	4Q14	Change	FY15	FY14	Change
Analysis of results¹⁾						
Investment margin	-1	0		-1	0	
Fees and premium-based revenues	20	30	-31.5%	95	117	-19.1%
Technical margin	0	0		0	0	
Operating income non-modelled business	0	0		0	0	
Operating income	20	30	-33.3%	94	117	-19.9%
Administrative expenses	5	8	-32.6%	19	21	-5.8%
DAC amortisation and trail commissions	2	3	-29.7%	10	12	-18.3%
Expenses	7	11	-31.8%	29	33	-10.5%
Operating result	12	19	-34.1%	64	84	-23.5%
Non-operating items	12	-43		-44	24	-281.8%
of which gains/losses and impairments	0	0		0	0	
of which revaluations	0	0		0	0	
of which market & other impacts	12	-43		-44	24	-281.8%
Special items before tax	0	0		0	0	
Result on divestments	0	0		0	0	
Result before tax	24	-24		20	109	-81.6%
Taxation	6	-14		-11	8	-237.4%
Minority interests	0	0		0	0	
Net result	17	-10		31	101	-69.6%
Key figures¹⁾²⁾						
Allocated equity	946	1,012	-6.5%	946	1,012	-6.5%
Account value	10,028	13,248	-24.3%	10,028	13,248	-24.3%
Net Amount at Risk	203	133	52.7%	203	133	52.7%
IFRS Reserves	514	556	-7.5%	514	556	-7.5%
Number of policies	202,192	294,263	-31.3%	202,192	294,263	-31.3%
Employees (internal FTEs, end of period)	103	89	15.7%	103	89	15.7%

1) JPY/EUR average FX rates: 132.24 (4Q15), 142.83 (4Q14) and JPY/EUR end of period FX rates: 131.14 (4Q15), 145.12 (4Q14)

2) End of period

The result before tax of Japan Closed Block VA increased to EUR 24 million from EUR -24 million in the fourth quarter of 2014, mainly due to positive hedge results. The operating result decreased to EUR 12 million from EUR 19 million in the fourth quarter of 2014, as fees and premium-based revenues declined in line with the run-off of the portfolio.

Fees and premium-based revenues were EUR 20 million, down 37.0% from the fourth quarter of 2014, excluding currency effects, due to a lower account value caused by a decreasing number of policies.

Administrative expenses decreased to EUR 5 million from EUR 8 million in the fourth quarter of 2014, which included higher project costs to prepare for the expected large volumes of maturities.

Market and other impacts were EUR 12 million compared with EUR -43 million in the fourth quarter of 2014. The current quarter includes a hedge-related result of EUR 11 million, compared with EUR -44 million in the fourth quarter of 2014.

The Net Amount at Risk in the Japan Closed Block VA increased to EUR 203 million from EUR 133 million in the fourth quarter of 2014, but decreased from EUR 379 million in the third quarter of 2015, primarily as a result of equity markets appreciation.

The operating result before tax was EUR 64 million for the full-year 2015 compared with EUR 84 million in 2014, down 26.8% excluding currency impacts, mainly caused by lower fees and premium-based revenues.

The full-year 2015 result before tax decreased to EUR 20 million from EUR 109 million in 2014. The result for 2015 includes a hedge-related result of EUR -55 million and a EUR 12 million reserve decrease on higher lapse assumptions for out-of-the-money policies.

The full-year 2015 net result decreased to EUR 31 million from EUR 101 million in 2014, reflecting the decrease in the result before tax. This was partly offset by tax exempt income.

Consolidated Balance Sheet

- Total assets of NN Group increased by EUR 0.3 billion compared with the third quarter of 2015
- Shareholders' equity increased by EUR 0.2 billion to EUR 20.5 billion, mainly reflecting a lower debt securities revaluation reserve and cash flow hedge reserve driven by higher interest rates offset by the fourth-quarter net result

in EUR million	31 Dec 15	30 Sep 15	31 Dec 14		31 Dec 15	30 Sep 15	31 Dec 14
Assets				Equity and liabilities			
Cash and cash equivalents	7,436	8,966	7,530	Shareholders' equity (parent)	20,469	20,271	20,355
Financial assets at fair value through profit or loss				Minority interests	9	44	76
- trading assets	0	544	628	Undated subordinated notes	986	986	986
- investments for risk of policyholders	35,154	34,936	41,222	Total equity	21,464	21,301	21,417
- non-trading derivatives	4,656	5,218	7,207	Subordinated loans	2,290	2,291	2,297
- designated as at fair value through profit or loss	443	529	492	Senior debt	0	0	400
Available-for-sale investments				Debt securities issued	597	597	0
- debt securities	67,553	67,530	65,991	Other borrowed funds	6,785	5,189	5,467
- equity securities	6,840	6,504	6,286	Insurance and investment contracts			
Loans	31,013	29,324	27,802	- life insurance provisions	75,827	76,428	72,952
Reinsurance contracts	236	251	241	- non-life insurance provisions	3,509	3,664	3,540
Associates and joint ventures	2,197	1,652	1,617	- provision for risk of policyholders	35,212	34,996	41,285
Real estate investments	1,564	1,548	1,104	- other	1,436	1,459	1,460
Property and equipment	86	88	139	Customer deposits and other funds on deposit	8,034	8,105	6,981
Intangible assets	351	341	357	Financial liabilities at fair value through profit or loss			
Deferred acquisition costs	1,531	1,502	1,403	- non-trading derivatives	1,701	2,042	3,142
Other assets	3,092	2,970	3,462	Other liabilities	5,297	5,831	6,540
Total assets	162,152	161,903	165,481	Total liabilities	140,688	140,602	144,064
				Total equity and liabilities	162,152	161,903	165,481

Assets

Cash and cash equivalents

Cash and cash equivalents decreased by EUR 1.6 billion compared with the third quarter of 2015 as a result of higher investments in Netherlands Life.

Trading assets

The decrease in Trading assets during the fourth quarter of 2015 reflects the sale of the private equity management company, Parcom Capital Management, as a result of which private equity assets are now classified as Associates and joint ventures.

Loans

Loans increased by EUR 1.7 billion to EUR 31.0 billion mainly driven by the addition of EUR 1.3 billion mortgages during the fourth quarter of 2015.

Associates and joint ventures

The increase in Associates and joint ventures is the result of the aforementioned sale of Parcom Capital Management.

Liabilities

Other borrowed funds

Other borrowed funds increased by EUR 1.6 billion to EUR 6.8 billion, partly reflecting the residential mortgage backed securitisation transaction completed by NN Bank during the fourth quarter of 2015.

Equity

Shareholders' equity increased by EUR 0.2 billion to EUR 20.5 billion at the end of the fourth quarter of 2015, reflecting a EUR 0.3 billion decrease in the available-for-sale investments revaluation reserves and a EUR 0.1 billion decrease in the cash flow hedge reserve. This was offset by the deferred interest crediting to life policyholders and the fourth-quarter net result.

Changes in Shareholders' equity for the quarter, the full-year 2015 and for the previous full year were as follows:

in EUR million	4Q15	FY15	FY14
Shareholders' equity beginning of period	20,271	20,355	14,062
Net result for the period	360	1,565	588
Unrealised revaluations available-for-sale investments and other	-334	-720	6,330
Realised gains/losses transferred to the profit and loss account	-16	-345	1
Change in cash flow hedge reserve	-132	-435	1,738
Deferred interest crediting to life policyholders	249	644	-2,950
Share of other comprehensive income of associates and joint ventures	2	9	43
Exchange rate differences	57	188	117
Remeasurement of the net defined benefit asset/liability	7	28	-121
Capital contributions and change in share capital	0	57	850
Dividend	0	-251	-315
Purchase/sale treasury shares	0	-597	0
Employee stock option & share plans	5	5	12
Coupon on undated subordinated notes	0	-34	0
Total changes	198	114	6,293
Shareholders' equity end of period	20,469	20,469	20,355

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

in EUR million	31 Dec 15	30 Sep 15	31 Dec 14
Share capital	40	40	42
Share premium	12,153	12,155	12,098
Revaluation reserve available-for-sale investments and other	4,292	4,370	4,639
Cash flow hedge reserve	4,029	4,161	4,464
Currency translation reserve	-24	-84	-198
Net defined benefit asset/liability remeasurement reserve	-90	-97	-118
Retained earnings and other reserves	69	-274	-572
Shareholders' equity (parent)	20,469	20,271	20,355
Minority interests	9	44	76
Undated subordinated notes	986	986	986
Total equity	21,464	21,301	21,417
Shareholders' equity per share in EUR	62	61	58

Capital Management

- Solvency II ratio of NN Group at 239%, after deduction of the proposed final 2015 dividend of EUR 341 million, and Solvency II ratio of NN Life at 220% at the end of the fourth quarter of 2015, based on the Partial Internal Model
- Cash capital position at the holding company increased to EUR 1,953 million; over time aim for cash capital position within a target range of EUR 0.5 billion to EUR 1.5 billion
- Free cash flow to the holding for the fourth quarter of 2015 was EUR 335 million; full-year 2015 free cash flow to the holding was EUR 1,366 million driven by dividends from all segments
- Proposed final dividend of EUR 1.05 per share, EUR 341 million in total

Solvency II

in EUR million	31 Dec 15	30 Sep 15
Basic Own Funds	14,809	15,010
Non-available Own Funds	1,271	1,185
Non-eligible Own Funds	197	0
Eligible Own Funds (a)	13,341	13,824
of which Tier 1 unrestricted	8,484	9,080
of which Tier 1 Restricted	1,844	1,799
of which Tier 2	1,061	1,032
of which Tier 3	735	637
of which non-solvency II regulated entities	1,217	1,277
Solvency Capital Requirements (b)	5,587	5,602
of which non-solvency II regulated entities	684	665
NN Group Solvency II ratio (a/b)¹⁾	239%	247%
NN Life Solvency II ratio¹⁾²⁾	220%	225%

1) The solvency ratios are not final until filed with the regulators. SII ratios are based on the partial internal model.

2) The NN Life SII ratio reflects the merger of Nationale-Nederlanden Levensverzekeringen Maatschappij N.V. and Nationale-Nederlanden Services N.V.

In December 2015, NN Group received approval from the Dutch regulator (DNB) to use its Partial Internal Model (PIM) under Solvency II for NN Group and its insurance subsidiaries in the Netherlands. The Solvency II capital ratios are still subject to final interpretations of Solvency II regulations including the treatment of tax in the SCR. The Solvency II capital ratios of NN Group and NN Life do not include any contingent liability potentially arising from unit-linked products sold, issued or advised on by NN Group's Dutch insurance subsidiaries in the past, as this potential liability cannot be reliably estimated or quantified at this point.

The NN Group Solvency II ratio based on the Partial Internal Model decreased to 239% at the end of the fourth quarter of 2015 from 247% at the end of the third quarter of 2015. This decrease mainly reflects the deduction of the proposed final dividend of EUR 341 million. The share buyback of EUR 250 million executed in January 2016 will be reflected in the Solvency II ratio at the end of the first quarter of 2016.

Solvency I

in EUR million	31 Dec 15	30 Sep 15	31 Dec 14
Shareholders' equity	20,469	20,271	20,355
Qualifying undated subordinated debt ¹⁾	1,823	1,823	1,823
Qualifying dated subordinated debt ¹⁾	1,000	1,000	1,000
Required regulatory adjustments	-8,378	-7,952	-9,100
Total capital base (a)	14,914	15,142	14,078
EU required capital (b)	4,663	4,700	4,686
NN Group IGD Solvency I ratio (a/b)²⁾	320%	322%	300%
NN Life Solvency I ratio²⁾	299%	297%	257%

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

2) The solvency ratios are not final until filed with the regulators. The NN Life SI ratio reflects the merger of Nationale-Nederlanden Levensverzekeringen Maatschappij N.V. and Nationale-Nederlanden Services N.V. The comparative figures have been restated accordingly.

NN Group's IGD Solvency I ratio slightly decreased to 320% at the end of the fourth quarter of 2015 from 322% at the end of the third quarter of 2015, mainly reflecting the deduction of the proposed final dividend of EUR 341 million.

The Solvency I ratio of NN Life slightly increased to 299% over the fourth quarter of 2015 as positive revaluations of equity securities and positive operating performance were only partly offset by the deduction of a dividend of EUR 125 million paid to NN Group in December 2015. The dividend of EUR 125 million paid to NN Group in October 2015 was already reflected in the NN Life Solvency I ratio at the end of the third quarter of 2015.

	31 Dec 15		Change 2H15			Change FY15		
	Available Capital	Available over Minimum Required Capital	Change 2H15	Of which capital flows ¹⁾	Capital generation - 2H15	Change FY15	Of which capital flows ¹⁾	Capital Generation - FY15
(% EUR millions)								
Total of subsidiaries (excluding discontinued operations) ¹⁾	13,988	9,090	261	−690	951	422	−1,376	1,798
of which NN Life	8,847	5,886	369	−435	804	759	−805	1,564

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 applicable in 2015 – 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)

The capital generated by subsidiaries was EUR 951 million over the second half of 2015. Capital was predominantly generated within NN Life (EUR 804 million) and reflects decreasing interest rates and tightening of credit spreads in combination with positive operating performance offset by investment in new business.

Over the full-year of 2015 the capital generated by subsidiaries was EUR 1,798 million mainly supported by positive revaluations of equity and real estate investments as well as tightening of credit spreads in combination with positive operating performance offset by investment in new business.

Cash capital position at the holding company

in EUR million	4Q15	FY15
Beginning of period	1,619	1,413
Cash divestment proceeds	1	1
Dividends from subsidiaries ¹⁾	376	1,548
Capital injections into subsidiaries ²⁾	-18	-143
Other ³⁾	-25	-40
Free cash flow to the holding⁴⁾	335	1,366
Acquisitions	0	-31
Capital flow from / (to) shareholders	0	-792
Increase / (decrease) in debt and loans	0	-3
End of period	1,953	1,953

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 acquisitions and capital transactions with shareholders and debtholders

The cash capital position at the holding company increased to EUR 1,953 million at the end of the fourth quarter of 2015 from EUR 1,619 at the end of the third quarter of 2015. Dividends received from subsidiaries during the fourth quarter of 2015 amounted to EUR 376 million. This included a total of EUR 250 million dividends received from NN Life of which EUR 125 million was received in October 2015.

The cash capital position at the holding company increased to EUR 1,953 million from EUR 1,413 million at the beginning of the year. The increase reflects free cash flow to the holding of EUR 1,366 million driven by dividends from all business segments, partly offset by EUR 792 million of capital flows to shareholders primarily comprising ordinary dividend payments of EUR 349 million and share buybacks of EUR 500 million.

Cash capital is held at the holding company to cover stress events and to fund holding costs. Over time we aim for the cash capital position at the holding company to be in a target range between EUR 0.5 billion and EUR 1.5 billion. Taking into account the share buyback of EUR 250 million executed in January 2016 and the proposed final 2015 dividend of EUR 341 million, the cash capital position at the end of the fourth quarter of 2015 would be EUR 1,363 million on a pro-forma basis.

Financial leverage

in EUR million	31 Dec 15	30 Sep 15	31 Dec 14
Shareholders' equity	20,469	20,271	20,355
Adjustment for revaluation reserves ¹⁾	-6,935	-7,349	-7,979
Goodwill	-260	-257	-265
Minority interests	9	44	76
Capital base for financial leverage (a)	13,283	12,709	12,187
Undated subordinated notes ²⁾	986	986	986
Subordinated debt	2,290	2,291	2,297
Total subordinated debt	3,276	3,277	3,282
Debt securities issued (financial leverage)	398	398	400
Financial leverage (b)	3,674	3,675	3,682
Debt securities issued (operational leverage)	199	199	0
Total debt	3,873	3,874	3,682
Financial leverage ratio (b/(a+b))	21.7%	22.4%	23.2%
Fixed-cost coverage ratio ²⁾³⁾	13.1x	13.2x	9.9x

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 was 21.7% at the end of the fourth quarter of 2015. The capital base for financial leverage increased by EUR 574 million mainly due to the fourth-quarter net result of EUR 360 million and positive equity revaluations.

The fixed-cost coverage ratio was 13.1x at the end of the fourth quarter of 2015 (on a last 12-months basis).

Dividend

At the Annual General Meeting on 2 June 2016, a final dividend will be proposed of EUR 1.05 per ordinary share, or approximately EUR 341 million in total based on the current number of outstanding shares (net of treasury shares). Together with the 2015 interim dividend of EUR 0.46 per ordinary share paid in September 2015, NN Group's total dividend over 2015 will be EUR 1.51 per ordinary share which is equivalent to a dividend pay-out ratio of around 41% of NN Group's full-year 2015 net operating result of the ongoing business. The final dividend will be paid in cash or ordinary shares at the election of the shareholder. NN Group will neutralise the dilutive effect of the stock dividend through the repurchase of ordinary shares, which may include a repurchase of part of ING Group's shareholding in NN Group. If the proposed dividend is approved by the shareholders, NN Group ordinary shares will be quoted ex-dividend on 7 June 2016. The record date for the dividend will be 8 June 2016. The election period will run from 7 June up to and including 21 June 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 15 June through 21 June 2016. The dividend will be payable on 28 June 2016.

Share buyback

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. NN Group intends to cancel all or part of the repurchased shares in due course.

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).

Share capital

On 30 December 2015, 7,674,470 NN Group treasury shares were cancelled which were acquired as part of the sale of NN Group shares by ING Group announced in September 2015 and the neutralisation of the dilutive effect of the stock dividend relating to the 2015 interim dividend in September 2015.

On 25 February 2016, the total number of NN Group shares outstanding (net of treasury shares) was 324,533,380.

Credit ratings

On 14 December 2015, Moody's affirmed its Baa2 rating on NN Group with a stable outlook.

Credit ratings of NN Group N.V. at 25 February 2016		Rating	Outlook
Standard & Poor's		A-	Stable
Moody's		Baa2	Stable

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).

Investor conference call and webcast

Lard Friese and Delfin Rueda will host an analyst and investor conference call to discuss the 4Q15 results at 10.00 am CET on Thursday 25 February 2016. 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 briefing

Lard Friese and Delfin Rueda will host a press briefing to discuss the 4Q15 results, which will be held at 12.00 pm CET on Thursday 25 February 2016 at NN Group's head office, Schenkkade 65, The Hague.

Financial calendar

- Publication 1Q16 results: 26 May 2016
- Annual General Meeting: 2 June 2016
- Publication 2Q16 results: 18 August 2016
- Publication 3Q16 results: 17 November 2016

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Additional information on www.nn-group.com

- NN Group Financial Supplement 4Q15 and NN Group 4Q15 Analyst 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. The Annual Accounts for 2015 are in progress and may be subject to adjustments from subsequent events.

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.