

NN GROUP FINANCIAL SUPPLEMENT

3Q2016



NN GROUP FINANCIAL SUPPLEMENT 3Q2016 INTRODUCTION

- The Financial Supplement includes quarterly financial trend data and is published on a quarterly basis.
- Figures are calculated at historical foreign exchange rates, unless otherwise stated.
- Operating result and Adjusted allocated equity (as used in the calculation of Net operating ROE) are Alternative Performance Measures. These measures are derived from figures according to IFRS-EU. The operating result is derived by adjusting the reported result before tax to exclude the impact of result on divestments, discontinued operations and special items, gains/losses and impairments, revaluations and market & other impacts. The adjusted allocated equity is derived by adjusting the reported total equity to exclude revaluation reserves and the undated subordinated notes classified as equity. Alternative Performance Measures are non-IFRS-EU measures that have a relevant IFRS-EU equivalent. For definitions and explanations of the Alternative Performance Measures reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 30 June 2016 Condensed consolidated interim financial information.
- The segment 'Other' consists of NN Bank, reinsurance business, the holding company and certain other entities.
- APE represents annualized premium equivalents sold in the period, with single premiums calculated at 1/10th of the single premium amounts.
- The quarterly figures of the previous periods, excluding currency effects, are the sum of the monthly figures calculated at the average rate of each individual month of the current quarter.
- Rounding could cause some small differences.
- All figures are unaudited.

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1.1 CONSOLIDATED BALANCE SHEET: ASSETS

In EUR million	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Cash and cash equivalents	9,131	9,894	10,446	7,436	8,966	8,742	9,666
Financial assets at fair value through profit or loss							
- trading assets	-	-	-	-	544	615	630
- investments for risk of policyholders	31,485	31,623	31,954	35,154	34,936	37,137	41,629
- non-trading derivatives	6,809	7,266	6,079	4,656	5,218	4,994	7,267
- designated as at fair value through profit or loss	1,308	1,321	595	443	529	479	529
Available-for-sale investments							
- debt securities	76,748	76,678	72,933	67,553	67,530	66,322	74,269
- equity securities	7,007	6,595	6,502	6,840	6,504	6,604	6,748
Loans	34,533	33,649	32,057	31,013	29,324	28,368	28,899
Reinsurance contracts	251	258	267	236	251	264	267
Associates and joint ventures	2,537	2,450	2,442	2,197	1,652	1,703	1,627
Real estate investments	1,913	1,802	1,592	1,564	1,548	1,298	1,217
Property and equipment	84	83	82	86	88	81	157
Intangible assets	346	341	342	351	341	347	354
Deferred acquisition costs	1,699	1,696	1,584	1,531	1,502	1,499	1,543
Assets held for sale	961	985	-	-	-	-	-
Other assets	2,710	3,215	3,183	3,092	2,970	3,209	3,862
Total assets	177,522	177,856	170,058	162,152	161,903	161,662	178,664

1.1 CONSOLIDATED BALANCE SHEET: EQUITY AND LIABILITIES

In EUR million	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Shareholders' equity (parent)	25,470	25,254	23,099	20,469	20,271	19,602	24,122
Minority interests	9	10	9	9	44	92	87
Undated subordinated notes	986	986	986	986	986	986	986
Total equity	26,465	26,250	24,094	21,464	21,301	20,680	25,195
Subordinated debt	2,288	2,289	2,290	2,290	2,291	2,292	2,294
Debt securities issued	597	597	597	597	597	597	597
Other borrowed funds	7,952	8,198	7,238	6,785	5,189	4,511	5,955
Insurance and investment contracts							
- life insurance provisions	84,240	84,325	81,154	75,827	76,428	75,481	79,743
- non-life insurance provisions	3,666	3,764	3,879	3,509	3,664	3,749	3,866
- provision for risk of policyholders	31,558	31,704	32,026	35,212	34,996	37,195	41,692
- other	703	734	1,382	1,436	1,459	1,484	1,540
Customer deposits and other funds on deposit	9,682	9,257	8,639	8,034	8,105	7,977	7,653
Financial liabilities at fair value through profit or loss							
- non-trading derivatives	2,472	2,557	2,276	1,701	2,042	2,083	2,112
Liabilities held for sale	709	726	-	-	-	-	-
Other liabilities	7,190	7,455	6,483	5,297	5,831	5,613	8,018
Total liabilities	151,057	151,606	145,964	140,688	140,602	140,982	153,469
Total equity and liabilities	177,522	177,856	170,058	162,152	161,903	161,662	178,664

1.2 TOTAL EQUITY

In EUR million	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015	30 Jun 2015	31 Mar 2015
Share capital	40	40	40	40	40	42	42
Share premium	12,153	12,153	12,153	12,153	12,155	12,155	12,098
Revaluation reserve available-for sale investments Debt securities	12,810	13,119	10,821	7,792	8,320	7,212	12,626
Revaluation reserve available-for sale investments Equity securities	1,357	1,143	1,222	1,359	1,156	1,392	1,416
Revaluation reserve crediting to life policyholders	-6,827	-6,858	-6,135	-4,885	-5,134	-4,704	-7,032
Other revaluations	26	23	25	26	28	25	26
Cashflow hedge reserve	5,546	5,455	4,991	4,029	4,161	3,950	5,388
Currency translation reserve	198	196	4	-24	-84	-92	33
Net defined benefit asset/liability remeasurement reserve	-140	-131	-111	-90	-97	-92	-140
Retained earnings and other reserves	307	114	89	69	-274	-286	-335
Shareholders' equity (parent)	25,470	25,254	23,099	20,469	20,271	19,602	24,122
Minority interests	9	10	9	9	44	92	87
Undated subordinated notes	986	986	986	986	986	986	986
Total equity	26,465	26,250	24,094	21,464	21,301	20,680	25,195
Shareholders' equity per share in EUR	78	77	71	62	61	58	71
Shares outstanding in the market (in million)	326	328	325	333	333	339	342

1.3 SHAREHOLDERS' EQUITY RECONCILIATION

30 September 2016

In EUR million	(Allocated) Shareholders' equity	Less: Revaluation reserves ¹⁾	Plus: Minority interest	Adjusted (allocated) equity
Netherlands Life	18,148	10,824	9	7,333
Netherlands Non-life	733	384	0	349
Insurance Europe	1,941	596	0	1,345
Japan Life	2,650	982	0	1,669
Asset Management	395	0	0	395
Other ²⁾	975	133	0	842
of which Reinsurance business	379	111	0	268
of which NN Bank	488	8	0	481
of which other	108	14	0	93
Ongoing business	24,842	12,918	9	11,934
Japan Closed Block VA	627	0	0	627
NN Group	25,470	12,918	9	12,561

1.4 CAPITAL BASE - SOLVENCY II

In EUR million	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Solvency II ³⁾⁴⁾					
IFRS Shareholders' equity	25,470	25,254	23,099	20,469	20,271
Elimination of deferred acquisition costs and intangible assets	-996	-1,009	-1,023	-1,000	-1,001
Valuation differences on assets	2,414	2,547	2,555	1,955	1,358
Valuation differences on liabilities, including insurance and investment contracts	-15,781	-14,053	-13,457	-10,689	-10,037
Deferred tax effect on valuation differences	3,495	3,021	2,885	2,379	2,336
Difference in treatment of non-solvency II regulated entities	-1,272	-1,558	-1,321	-870	-817
Excess of assets over liabilities	13,330	14,202	12,738	12,244	12,109
Deduction of participation in NN Bank	-569	-554	-507	-	-
Qualifying subordinated debt	3,058	3,096	3,048	2,921	2,909
Foreseeable dividends and distributions	-564	-832	-402	-356	-9
Basic Own Funds	15,255	15,912	14,877	14,809	15,010
Non-available Own Funds	1,382	1,436	1,396	1,271	1,185
Non-eligible Own Funds	-	-	-	197	-
Eligible Own Funds (a)	13,873	14,476	13,480	13,341	13,824
of which Tier 1 Unrestricted	9,173	10,174	8,831	8,484	9,080
of which Tier 1 Restricted	1,929	1,983	1,912	1,844	1,799
of which Tier 2	1,054	1,039	1,062	1,061	1,032
of which Tier 3	631	273	757	735	637
of which non-solvency II regulated entities	1,086	1,007	918	1,217	1,277
Solvency Capital Requirement (b)	5,871	5,735	5,602	5,587	5,602
of which non-solvency II regulated entities	476	455	417	684	665
NN Group Solvency II ratio (a/b)	236%	252%	241%	239%	247%

1.5 CASH CAPITAL POSITION AT THE HOLDING COMPANY

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Cash capital position - beginning of period	2,337	2,107	1,953	1,619	1,612	1,439	1,413	1,953	1,413	1,413
Cash divestment proceeds	-	-	-	1	-	-	-	-	-	1
Dividends from subsidiaries ⁵⁾	320	532	390	376	332	480	360	1,241	1,172	1,548
Capital injections into subsidiaries ⁶⁾	-	-3	-6	-18	-1	-59	-65	-8	-125	-143
Other ⁷⁾	-22	-35	19	-25	12	39	-66	-38	-15	-40
Free cash flow to the holding ⁸⁾	298	494	403	335	343	459	229	1,195	1,031	1,366
Acquisition	-	-	-	-	-31	-	-	-	-31	-31
Capital flows from / (to) shareholders	-244	-263	-250	-	-306	-286	-200	-757	-792	-792
Increase / (decrease) in debt and loans	-	-	-	-	-	-	-3	-	-3	-3
Cash capital position - end of period ⁹⁾	2,391	2,337	2,107	1,953	1,619	1,612	1,439	2,391	1,619	1,953

1.6 INVESTMENTS PER ASSET TYPE

30 September 2016

In EUR million	Asset-backed securities	Covered bonds	Financial institutions bonds	Corporate bonds	Government bonds	Total debt securities	Public equity	Real estate equity	Private equity	Other equity securities	Total equity securities	Real estate	Mortgage	Deposits and other Loans	Other	Investments for risk of policyholders	Total
IFRS classification																	
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,131	-	9,131
Financial assets at fair value through profit or loss																	
- trading assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- investments for risk of policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,485	31,485
- non-trading derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,809	-	6,809
- designated as at fair value through profit or loss	-	-	-	-	765	765	-	-	-	543	543	-	-	-	-	-	1,308
Available-for-sale investments																	
- debt securities	1,154	359	5,158	10,261	59,816	76,748	-	-	-	-	-	-	-	-	-	-	76,748
- equity securities	-	-	-	-	-	-	3,424	979	141	2,463	7,007	-	-	-	-	-	7,007
Loans	1,967	-	-	-	-	1,967	-	-	-	-	-	-	24,831	7,736	-	-	34,533
Associates and joint ventures	-	-	-	-	-	-	-	-	749	-	749	1,699	-	72	17	-	2,537
Real estate investments	-	-	-	-	-	-	-	-	-	-	-	1,913	-	-	-	-	1,913
Other assets ¹⁰⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,051	-	6,051
Total	3,121	359	5,158	10,261	60,581	79,480	3,424	979	889	3,006	8,298	3,612	24,831	7,807	22,008	31,485	177,522

1.7 ADMINISTRATIVE EXPENSES IN THE NETHERLANDS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	FY2015
Administrative expenses in the Netherlands ¹¹⁾						
Netherlands Life ¹²⁾	424	432	429	431	436	431
Netherlands Non-life ¹³⁾	279	283	288	292	297	292
Corporate / holding ¹⁴⁾	62	71	75	80	84	80
Total	765	786	792	803	818	803

1.8 EARNINGS PER ORDINARY SHARE

	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Basic earnings per ordinary share ¹⁵⁾										
Net result (in EUR million)	436	335	270	360	329	392	485	1,041	1,205	1,565
Coupon on undated subordinated notes (in EUR million)	-8	-8	-8	-8	-8	-8	-8	-25	-25	-34
Basic earnings (in EUR million)	427	327	262	351	321	384	476	1,016	1,180	1,531
Weighted average number of ordinary shares (in million)	326.0	324.8	325.2	332.6	338.5	341.1	346.0	325.3	342.0	339.6
Basic earnings per ordinary share (in EUR)	1.31	1.01	0.81	1.06	0.95	1.13	1.38	3.12	3.45	4.51
Diluted earnings per ordinary share ¹⁶⁾										
Basic earnings (in EUR million)	427	327	262	351	321	384	476	1,016	1,180	1,531
Weighted average number of ordinary shares (in million)	326.0	324.8	325.2	332.6	338.5	341.1	346.0	325.3	342.0	339.6
Dilutive instruments: Stock option and share plans (in million)	0.8	0.8	1.0	1.2	1.2	1.3	1.6	0.8	1.2	1.2
Weighted average number of ordinary shares (including dilutive instruments in million)	326.8	325.6	326.2	333.8	339.7	342.4	347.6	326.1	343.2	340.8
Diluted earnings per ordinary share (in EUR)	1.31	1.00	0.80	1.05	0.94	1.12	1.37	3.12	3.44	4.49

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Netherlands Life	178	193	177	155	267	332	152	547	751	906
Netherlands Non-life	21	19	9	28	24	45	24	49	93	122
Insurance Europe	52	52	34	48	53	55	40	138	148	197
Japan Life	40	23	67	27	37	25	72	130	133	160
Asset Management	38	33	29	21	34	38	36	100	108	129
Other	-11	2	-11	-29	-23	-7	-20	-20	-50	-79
Operating result ongoing business	319	321	305	250	392	488	304	945	1,184	1,435
Non-operating items ongoing business	251	153	122	92	54	-36	284	526	302	393
of which gains/losses and impairments	188	88	29	7	131	46	172	306	349	356
of which revaluations	58	40	62	37	-56	67	74	161	85	122
of which market & other impacts	5	24	31	47	-21	-149	38	59	-132	-85
Japan Closed Block VA	-13	-28	-69	24	-64	43	16	-110	-4	20
Special items before tax	-10	-20	-26	-33	-12	-35	-20	-56	-67	-100
Result on divestments	-	-	-	12	1	-0	0	-	1	14
Result before tax	547	426	331	345	372	460	584	1,305	1,416	1,761
Taxation	111	91	61	-17	41	52	90	263	183	166
Minority interests	0	0	0	2	3	16	10	1	28	30
Net result	436	335	270	360	329	392	485	1,041	1,205	1,565
Shares outstanding in the market (in million)	326	328	325	333	333	339	342	326	333	333
Basic earnings per ordinary share in EUR ¹⁵⁾	1.31	1.01	0.81	1.06	0.95	1.13	1.38	3.12	3.45	4.51
Diluted earnings per ordinary share in EUR ¹⁶⁾	1.31	1.00	0.80	1.05	0.94	1.12	1.37	3.12	3.44	4.49
New business ongoing business										
Single premiums	273	279	373	396	302	320	800	925	1,422	1,817
Regular premiums	298	256	441	219	231	246	418	995	895	1,114
New sales life insurance (APE)	326	284	478	258	261	278	498	1,088	1,037	1,295

2.1 ANALYSIS OF RESULTS: TOTAL

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Key figures ongoing business										
Gross premium income	2,123	2,020	3,279	1,762	1,911	1,948	3,576	7,421	7,435	9,197
Total administrative expenses	422	426	424	453	439	429	438	1,272	1,306	1,758
Cost/income ratio (Administrative expenses/Operating income)	33.4%	33.5%	32.9%	38.3%	32.6%	30.7%	34.8%	33.3%	32.6%	33.9%
Combined ratio (Netherlands Non-life) ¹⁷⁾	101.8%	103.7%	104.3%	100.7%	105.6%	99.7%	100.2%	103.3%	101.8%	101.5%
Asset Management Assets under Management ¹⁸⁾	199	197	190	187	190	193	212	199	190	187
Life general account invested assets ¹⁸⁾	89	88	86	84	83	83	83	89	83	84
Investment margin/Life general account invested assets (in bps) ¹⁹⁾	90	101	109	108	114	104	93			
Total provisions for insurance and investment contracts ¹⁸⁾	110	109	108	105	105	105	112	110	105	105
of which for risk policyholder ¹⁸⁾	23	23	23	25	25	26	28	23	25	25
NN Life Solvency II ratio ²⁰⁾	211%	239%	212%	216%	225%			211%	225%	216%
Net operating result ²¹⁾	239	246	242	205	330	401	228	727	960	1,165
Adjusted allocated equity (end of period) ²²⁾	11,934	11,673	11,306	11,194	10,814	10,814	10,745	11,934	10,814	11,194
Net operating ROE ²³⁾	8.1%	8.6%	8.6%	7.5%	12.2%	14.9%	8.7%	8.4%	12.0%	10.8%
Key figures Japan Closed Block VA										
Account value	8,699	9,064	9,125	10,028	10,217	11,610	13,646	8,699	10,217	10,028
Number of policies	163,450	173,806	186,789	202,192	219,824	239,510	266,572	163,450	219,824	202,192
Key figures Total NN Group										
Solvency II ratio ³⁾⁴⁾	236%	252%	241%	239%	247%			236%	247%	239%
Total assets ¹⁸⁾	178	178	170	162	162	162	179	178	162	162
Shareholders' equity	25,470	25,254	23,099	20,469	20,271	19,602	24,122	25,470	20,271	20,469
Employees (internal FTEs, end of period)	11,533	11,443	11,485	11,461	11,531	11,538	11,588	11,533	11,531	11,461

2.1 ANALYSIS OF RESULTS: TOTAL - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Netherlands Life	178	193	177	155	267	332	152	547	751	906
Netherlands Non-life	21	19	9	28	24	45	24	49	93	122
Insurance Europe	52	52	34	48	52	54	40	138	147	194
Japan Life	40	24	74	31	44	29	83	138	156	187
Asset Management	38	33	29	21	34	38	36	100	108	129
Other	-11	2	-11	-29	-23	-8	-20	-20	-50	-79
Operating result ongoing business	319	323	312	254	398	490	316	954	1,205	1,459
Non-operating items ongoing business	251	152	122	90	54	-36	284	526	302	392
of which gains/losses and impairments	188	88	29	6	133	46	172	306	351	357
of which revaluations	58	40	62	37	-58	67	74	160	82	120
of which market & other impacts	5	24	31	47	-21	-149	38	59	-132	-85
Japan Closed Block VA	-13	-27	-68	26	-61	46	20	-108	5	31
Special items before tax	-10	-20	-26	-33	-12	-35	-20	-56	-68	-101
Result on divestments	-	-	-	12	1	-0	0	-	1	14
Result before tax	547	428	339	349	381	464	600	1,315	1,445	1,794
Taxation	111	92	62	-15	43	53	90	265	186	170
Minority interests	0	0	0	2	3	16	9	1	28	30
Net result	436	336	277	362	336	396	500	1,049	1,232	1,594
Shares outstanding in the market (in million)	326	328	325	333	333	339	342	326	333	333
Basic earnings per ordinary share in EUR ¹⁵⁾	1.31	1.01	0.83	1.06	0.97	1.14	1.42	3.15	3.53	4.59
Diluted earnings per ordinary share in EUR ¹⁶⁾	1.31	1.01	0.82	1.06	0.96	1.13	1.41	3.14	3.51	4.58
New business ongoing business										
New sales life insurance (APE)	326	292	496	273	286	296	522	1,113	1,104	1,377
Key figures ongoing business										
Gross premium income	2,123	2,065	3,378	1,842	2,035	2,044	3,710	7,566	7,789	9,631
Total administrative expenses	422	428	427	456	443	432	441	1,277	1,317	1,773
Key figures Total NN Group										
Total assets ¹⁸⁾	178	178	173	166	166	167	182	178	166	166

2.2.1 ANALYSIS OF RESULTS: NETHERLANDS LIFE

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	178	209	191	143	260	260	161	578	681	825
Fees and premium-based revenues	78	79	98	75	83	81	115	254	279	354
Technical margin	30	21	9	56	43	105	3	60	150	207
Operating income non-modelled business	-0	0	-0	-0	0	0	0	0	0	0
Operating income	286	309	298	274	385	446	279	893	1,110	1,385
Administrative expenses	100	107	108	109	107	104	111	316	322	431
DAC amortisation and trail commissions	9	9	12	11	11	10	16	30	37	48
Expenses	108	116	121	120	118	114	127	346	359	479
Operating result	178	193	177	155	267	332	152	547	751	906
Non-operating items	181	156	101	81	46	-49	246	438	244	325
of which gains/losses and impairments	112	91	6	-2	104	37	141	209	282	280
of which revaluations	58	39	64	36	-37	63	67	161	94	130
of which market & other impacts	11	26	31	47	-21	-149	38	68	-132	-85
Special items before tax	-1	-1	-1	-9	-0	-1	-1	-3	-2	-11
Result on divestments	-	-	-	1	1	-	-	-	1	2
Result before tax	358	347	277	227	315	283	397	982	995	1,222
Taxation	64	69	51	-0	37	19	56	184	112	112
Minority interests	0	0	0	2	3	14	8	1	25	27
Net result	294	278	226	225	275	250	333	797	858	1,083
New business										
Single premiums	66	65	101	91	89	87	539	233	715	806
Regular premiums	9	26	153	13	19	16	125	189	160	172
New sales life insurance (APE)	16	33	163	22	28	24	179	212	231	253
Key figures										
Gross premium income	377	435	983	375	448	469	1397	1,795	2,314	2,689
Total administrative expenses	100	107	108	109	107	104	111	316	322	431
Cost/income ratio (Administrative expenses/Operating income)	34.8%	34.8%	36.5%	39.8%	27.8%	23.3%	39.8%	35.4%	29.0%	31.1%
Life general account invested assets ¹⁸⁾	64	64	64	62	61	62	61	64	61	62
Investment margin/Life general account invested assets (in bps) ¹⁹⁾	114	128	138	136	143	127	112			
Total provisions for insurance and investment contracts ¹⁸⁾	75	75	74	72	72	73	78	75	72	72
of which for risk policyholder ¹⁸⁾	15	15	15	18	17	18	20	15	17	18
Allocated equity (end of period)	18,148	17,818	16,124	13,859	14,148	13,488	17,343	18,148	14,148	13,859
NN Life Solvency II ratio ²⁰⁾	211%	239%	212%	216%	225%			211%	225%	216%
Net operating result	139	155	153	138	236	289	124	447	649	787
Adjusted allocated equity (end of period)	7,333	7,187	7,049	6,966	7,017	6,931	6,664	7,333	7,017	6,966
Net operating ROE ²⁴⁾	7.7%	8.7%	8.7%	7.9%	13.6%	17.0%	7.4%	8.4%	12.7%	11.5%
Employees (internal FTEs, end of period)	2,097	2,078	2,094	2,083	2,099	2,085	2,113	2,097	2,099	2,083

2.2.2 NETHERLANDS LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	59.9	58.8	54.5	55.2	54.9	57.9	52.9	54.5	52.9	52.9
Deposits	0.3	0.5	2.4	0.2	0.2	0.4	2.8	3.2	3.4	3.6
Withdrawals / Benefits	-0.9	-0.9	-0.9	-1.0	-0.9	-1.0	-0.9	-2.7	-2.7	-3.7
Net production	-0.7	-0.3	1.6	-0.8	-0.7	-0.6	1.9	0.6	0.6	-0.1
Acquisition / Divestments / Transfers	-	-	-0.1	-	-	-	-	-0.1	-	-
Market performance / Interest credited	0.4	1.5	2.8	0.0	1.0	-2.5	3.2	4.7	1.7	1.7
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	59.6	59.9	58.8	54.5	55.2	54.9	57.9	59.6	55.2	54.5
In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Provisions for life insurance and investment contracts for risk of policyholders - roll forward										
Beginning of period	15.1	15.3	17.6	17.3	17.8	20.1	20.5	17.6	20.5	20.5
Deposits	0.1	0.1	0.2	0.1	0.2	0.1	0.3	0.4	0.5	0.6
Withdrawals / Benefits	-0.4	-0.7	-3.0	-0.5	-0.3	-0.4	-2.6	-4.0	-3.3	-3.8
Net production	-0.3	-0.6	-2.8	-0.4	-0.1	-0.3	-2.4	-3.6	-2.8	-3.2
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.2	0.4	0.5	0.7	-0.4	-2.0	2.0	1.1	-0.4	0.3
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	15.1	15.1	15.3	17.6	17.3	17.8	20.1	15.1	17.3	17.6

2.3.1 ANALYSIS OF RESULTS: NETHERLANDS NON-LIFE

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Earned premiums	383	386	385	369	372	380	382	1,154	1,134	1,503
Investment income	27	32	24	29	43	44	23	84	110	139
Other income	0	-1	1	2	2	-2	2	1	2	4
Operating income	411	417	410	400	417	422	406	1,238	1,246	1,646
Claims incurred, net of reinsurance	276	284	289	260	277	261	267	849	805	1,065
Acquisition costs	60	62	59	58	61	60	60	181	181	239
Administrative expenses	54	54	54	54	55	58	56	162	169	223
Acquisition costs and administrative expenses	114	116	113	112	116	117	116	343	349	461
Expenditure	390	400	401	372	393	379	383	1,192	1,154	1,526
Operating result insurance businesses	21	17	8	28	24	44	23	46	92	119
Operating result broker businesses	0	2	1	1	-0	1	1	3	2	2
Total operating result	21	19	9	28	24	45	24	49	93	122
Non-operating items	7	5	26	5	4	5	8	37	17	22
of which gains/losses and impairments	1	0	23	3	11	1	3	24	15	19
of which revaluations	6	5	3	2	-8	4	5	13	1	3
of which market & other impacts	-	-	-	-0	-	-	-	-	-	-0
Special items before tax	-0	-6	-6	-4	-0	-0	-1	-12	-1	-6
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	27	19	29	29	28	49	32	75	109	138
Taxation	4	3	6	1	0	9	6	14	15	16
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	23	15	22	28	28	41	25	61	93	122
Key figures										
Gross premium income	282	292	760	237	274	289	734	1,334	1,297	1,534
Total administrative expenses ¹³⁾	69	69	70	70	73	75	74	208	221	292
Combined ratio ¹⁷⁾	101.8%	103.7%	104.3%	100.7%	105.6%	99.7%	100.2%	103.3%	101.8%	101.5%
of which Claims ratio ¹⁷⁾	72.0%	73.7%	75.0%	70.3%	74.5%	68.8%	69.8%	73.6%	71.0%	70.8%
of which Expense ratio ¹⁷⁾	29.8%	30.1%	29.3%	30.4%	31.1%	30.9%	30.4%	29.7%	30.8%	30.7%
Total insurance provisions ¹⁸⁾	3	4	4	3	3	3	4	3	3	3
Allocated equity (end of period)	733	731	694	747	729	733	866	733	729	747
Net operating result	16	15	8	23	24	37	19	39	80	103
Adjusted allocated equity (end of period)	349	356	342	427	408	424	439	349	408	427
Net operating ROE ²⁴⁾	18.4%	16.9%	8.8%	22.0%	22.8%	34.5%	18.4%	14.5%	25.2%	24.4%
Employees (internal FTEs, end of period)	1,619	1,630	1,667	1,674	1,692	1,702	1,712	1,619	1,692	1,674

2.3.2 NETHERLANDS NON-LIFE - KEY FIGURES BY LINE OF BUSINESS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Gross premium income by line of business										
Disability & Accident	99	109	462	59	96	108	437	670	641	700
Fire	76	75	123	73	73	72	120	274	265	338
Marine & Aviation	3	3	8	3	3	3	9	15	15	18
Motor	70	72	94	70	71	74	95	236	239	309
Miscellaneous	33	32	73	32	31	31	72	137	134	165
Indirect business	1	1	1	1	1	1	1	2	3	4
Property & Casualty	183	182	299	178	178	181	297	664	656	834
Total	282	292	760	237	274	289	734	1,334	1,297	1,534
In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Operating result by line of business										
Disability & Accident	25	47	11	21	32	37	28	83	98	119
Fire	4	-19	2	11	0	-3	-7	-13	-9	2
Marine & Aviation	-0	1	-0	-2	-1	0	-1	-0	-2	-3
Motor	-8	-11	-3	-6	-8	3	-0	-22	-5	-11
Miscellaneous	-0	-1	-2	3	0	6	2	-4	8	12
Indirect business	0	1	0	0	1	1	1	1	2	2
Property & Casualty	-5	-30	-2	6	-7	7	-5	-37	-6	0
Mandema & Partners and Zicht broker businesses	0	2	1	1	-0	1	1	3	2	2
Total	21	19	9	28	24	45	24	49	93	122
	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Combined ratios Disability & Accident and Property & Casualty ¹⁷⁾										
Disability & Accident										
Combined ratio	96.8%	87.3%	103.3%	100.8%	99.7%	97.4%	92.6%	95.8%	96.5%	97.6%
of which Claims ratio	75.3%	65.6%	82.5%	77.7%	76.5%	75.5%	70.3%	74.5%	74.0%	74.9%
of which Expense ratio	21.6%	21.8%	20.8%	23.1%	23.2%	21.9%	22.4%	21.4%	22.5%	22.6%
Property & Casualty										
Combined ratio	106.0%	117.9%	105.2%	100.7%	110.3%	101.7%	106.5%	109.7%	106.2%	104.8%
of which Claims ratio	69.2%	80.7%	68.4%	64.3%	73.0%	63.0%	69.4%	72.8%	68.5%	67.5%
of which Expense ratio	36.8%	37.2%	36.8%	36.3%	37.3%	38.7%	37.1%	37.0%	37.7%	37.3%
Total										
Combined ratio	101.8%	103.7%	104.3%	100.7%	105.6%	99.7%	100.2%	103.3%	101.8%	101.5%
of which Claims ratio	72.0%	73.7%	75.0%	70.3%	74.5%	68.8%	69.8%	73.6%	71.0%	70.8%
of which Expense ratio	29.8%	30.1%	29.3%	30.4%	31.1%	30.9%	30.4%	29.7%	30.8%	30.7%

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	16	19	15	22	17	20	22	49	58	80
Fees and premium-based revenues	136	137	134	134	135	135	132	407	402	536
Technical margin	50	51	42	48	50	51	45	143	146	194
Operating income non-modelled business	1	1	1	1	1	1	1	2	3	4
Operating income Life Insurance	202	208	191	206	202	208	199	601	609	814
Administrative expenses	77	79	78	81	73	75	77	233	225	306
DAC amortisation and trail commissions	75	78	79	78	77	78	83	232	238	315
Expenses Life Insurance	152	156	157	158	150	154	159	466	463	621
Operating result Life Insurance	50	52	34	47	52	54	40	136	146	193
Operating result Non-life	2	0	0	1	1	1	1	2	3	4
Operating result	52	52	34	48	53	55	40	138	148	197
Non-operating items	67	-6	-1	-7	5	7	15	60	28	21
of which gains/losses and impairments	71	-5	-1	-6	3	6	14	66	23	17
of which revaluations	1	1	1	-0	2	1	1	3	5	5
of which market & other impacts	-6	-2	-1	-	-0	0	-	-9	-0	-0
Special items before tax	-6	-6	-16	-12	-8	-19	-12	-28	-38	-50
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	113	40	17	30	50	44	44	170	138	168
Taxation	23	11	4	-20	17	11	11	37	39	19
Minority interests	-	-	-	-	0	2	1	-	3	3
Net result	90	29	13	50	33	31	32	133	96	146
New business										
Single premiums	207	214	266	302	211	231	253	686	695	996
Regular premiums	80	101	114	101	69	107	118	295	293	394
New sales life insurance (APE)	101	123	140	131	90	130	143	364	363	494
Key figures										
Gross premium income	554	586	580	601	505	584	586	1,720	1,676	2,277
Total administrative expenses (Life & Non-life)	80	82	81	85	77	80	81	243	237	322
Cost/income ratio (Administrative expenses/Operating income)	35.9%	35.7%	38.6%	37.8%	34.8%	35.2%	37.2%	36.7%	35.6%	36.1%
Life general account invested assets ¹⁸⁾	10	10	10	10	11	11	11	10	11	10
Investment margin/Life general account invested assets (in bps) ¹⁹⁾	70	70	69	74	71	73	72			
Total provisions for insurance and investment contracts ¹⁸⁾	18	18	18	18	19	19	20	18	19	18
of which for risk policyholder ¹⁸⁾	8	7	8	7	7	8	8	8	7	7
Assets under Management Pensions ¹⁸⁾²⁵⁾	16	15	15	15	15	15	16	16	15	15
Allocated equity (end of period)	1,941	1,867	2,043	1,988	1,975	1,877	2,267	1,941	1,975	1,988
Net operating result	43	40	29	39	41	42	32	112	115	154
Adjusted allocated equity (end of period)	1,345	1,299	1,499	1,486	1,480	1,460	1,679	1,345	1,480	1,486
Net operating ROE ²⁴⁾	13.0%	11.4%	7.7%	10.6%	11.1%	10.6%	7.8%	10.6%	9.8%	10.0%
Employees (internal FTEs, end of period)	4,192	4,112	4,097	4,042	4,045	4,053	4,059	4,192	4,045	4,042

2.4.1 ANALYSIS OF RESULTS: INSURANCE EUROPE - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	16	19	15	22	17	20	21	49	58	80
Fees and premium-based revenues	136	138	133	134	133	133	130	407	396	529
Technical margin	50	51	42	48	49	50	45	143	144	192
Operating income non-modelled business	1	1	1	1	1	1	1	2	3	4
Operating income Life Insurance	202	208	191	205	200	204	196	601	600	805
Administrative expenses	77	79	78	80	73	74	75	233	222	302
DAC amortisation and trail commissions	75	78	79	77	76	77	82	232	235	312
Expenses Life Insurance	152	156	157	157	149	151	157	466	457	614
Operating result Life Insurance	50	52	34	47	51	53	39	136	143	191
Operating result Non-life	2	0	0	1	1	1	1	2	3	4
Operating result	52	52	34	48	52	54	40	138	147	194
Non-operating items	67	-6	-1	-6	5	7	15	60	28	21
of which gains/losses and impairments	71	-5	-1	-6	3	6	14	66	23	17
of which revaluations	1	1	1	-0	2	1	1	3	5	5
of which market & other impacts	-6	-2	-1	-	-0	0	-	-9	0	0
Special items before tax	-6	-6	-16	-12	-8	-18	-11	-28	-37	-49
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	113	40	17	29	50	43	44	170	137	167
Taxation	23	11	4	-20	17	11	11	37	39	19
Minority interests	-	-	-	-	0	1	1	-	3	3
Net result	90	29	14	50	33	31	32	133	96	145
New business										
New sales life insurance (APE)	101	122	139	130	89	126	138	363	353	483
Key figures										
Gross premium income	554	587	580	599	502	577	582	1,721	1,661	2,260
Total administrative expenses (Life & Non-life)	80	82	81	84	76	78	79	243	233	318

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Gross premium income by country										
Belgium	107	130	137	129	94	115	119	374	328	457
Poland	77	75	75	80	83	88	86	226	257	337
Czech Republic	37	39	40	43	40	45	47	116	132	175
Hungary	66	59	54	58	59	64	64	179	187	245
Spain	112	109	122	119	94	117	136	342	347	466
Other	154	175	153	171	136	155	134	482	425	596
Insurance Europe	554	586	580	601	505	584	586	1,720	1,676	2,277
In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Operating result by country										
Belgium	6	10	-3	6	7	10	1	13	17	23
Poland	19	20	20	22	24	23	22	58	69	91
Czech Republic	6	5	5	7	6	8	6	17	20	26
Hungary	4	2	4	2	2	3	4	10	9	11
Spain	8	8	8	9	8	8	6	24	22	30
Other	8	7	1	3	6	5	1	16	12	15
Insurance Europe	52	52	34	48	53	55	40	138	148	197
In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
New sales (APE) by country										
Belgium	8	10	11	11	6	10	10	28	26	37
Poland	16	19	19	18	15	17	19	54	51	68
Czech Republic	3	4	4	5	5	5	6	12	16	20
Hungary	7	6	5	6	6	6	7	18	19	25
Spain	20	21	22	24	14	20	37	63	72	96
Other	48	62	79	68	44	71	65	190	180	248
Insurance Europe	101	123	140	131	90	130	143	364	363	494

2.4.2 INSURANCE EUROPE - KEY FIGURES BY COUNTRY - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Gross premium income by country										
Belgium	107	130	137	129	94	115	119	374	328	457
Poland	77	75	74	78	80	83	83	226	245	323
Czech Republic	37	39	40	43	40	45	48	116	134	177
Hungary	66	60	54	58	59	63	63	180	185	244
Spain	112	109	122	119	94	117	136	342	347	466
Other	154	175	153	171	135	154	132	482	422	592
Insurance Europe	554	587	580	599	502	577	582	1,721	1,661	2,260
In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Operating result by country										
Belgium	6	10	-3	6	7	10	1	13	17	23
Poland	19	20	20	22	23	22	21	58	66	87
Czech Republic	6	5	5	7	6	8	6	17	20	27
Hungary	4	2	4	2	2	3	4	10	9	11
Spain	8	8	8	9	8	8	6	24	22	30
Other	8	7	1	3	6	5	2	16	13	17
Insurance Europe	52	52	34	48	52	54	40	138	147	194
In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
New sales (APE) by country										
Belgium	8	10	11	11	6	10	10	28	26	37
Poland	16	19	19	17	14	16	18	54	48	66
Czech Republic	3	4	4	5	5	5	6	12	16	20
Hungary	7	7	5	6	6	6	7	18	19	25
Spain	20	21	22	24	14	20	37	63	72	96
Other	48	62	79	67	43	68	61	188	173	239
Insurance Europe	101	122	139	130	89	126	138	363	353	483

2.4.3 INSURANCE EUROPE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS AND ASSETS UNDER MANAGEMENT PENSIONS

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	10.6	10.7	10.8	11.0	11.1	11.8	11.8	10.8	11.8	11.8
Deposits	0.2	0.1	0.2	0.3	0.1	0.0	0.3	0.5	0.5	0.8
Withdrawals / Benefits	-0.3	-0.4	-0.5	-0.5	-0.3	-0.4	-0.6	-1.2	-1.3	-1.8
Net production	-0.1	-0.2	-0.3	-0.2	-0.2	-0.3	-0.3	-0.7	-0.8	-1.0
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.0	0.1	0.2	-0.0	0.1	-0.3	0.2	0.4	0.1	0.1
FX impact and other	0.0	-0.0	0.0	-0.0	0.0	-0.0	0.1	0.0	0.0	0.0
End of period	10.5	10.6	10.7	10.8	11.0	11.1	11.8	10.5	11.0	10.8
In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Provisions for life insurance and investment contracts for risk of policyholders - roll forward										
Beginning of period	7.5	7.5	7.5	7.4	7.7	8.0	7.5	7.5	7.5	7.5
Deposits	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.5	0.5	0.7
Withdrawals / Benefits	-0.2	-0.1	-0.1	-0.2	-0.3	-0.1	-0.2	-0.4	-0.5	-0.8
Net production	0.0	0.0	0.1	-0.0	-0.0	0.0	-0.0	0.1	-0.0	-0.1
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.2	-0.0	-0.1	0.2	-0.3	-0.2	0.4	0.1	-0.1	0.1
FX impact and other	0.0	-0.0	0.0	-0.0	-0.0	-0.1	0.1	0.0	0.0	0.0
End of period	7.7	7.5	7.5	7.5	7.4	7.7	8.0	7.7	7.4	7.5
In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Assets under management pensions - roll forward										
Beginning of period	14.6	15.2	14.7	14.8	15.2	15.5	14.40	14.7	14.400	14.4
Deposits	0.3	0.4	0.4	0.4	0.3	0.4	0.4	1.1	1.1	1.4
Withdrawals / Benefits	-0.1	-0.2	-0.1	-0.2	-0.1	-0.2	-0.2	-0.4	-0.6	-0.7
Net production	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.6	0.5	0.7
Acquisition / Divestments / Transfers	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Market performance / Interest credited	0.6	-0.5	0.2	-0.2	-0.5	-0.1	0.5	0.3	-0.1	-0.3
FX impact and other	0.2	-0.3	0.1	-0.1	-0.1	-0.3	0.5	-0.1	0.1	0.0
End of period	15.6	14.6	15.2	14.7	14.8	15.2	15.5	15.6	14.8	14.7

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	-6	-7	-5	-5	-5	-4	-2	-18	-10	-15
Fees and premium-based revenues	162	130	176	102	128	114	160	468	401	503
Technical margin	-11	-9	-1	-4	-3	-9	1	-20	-11	-15
Operating income non-modelled business	-0	0	0	0	0	-0	0	-0	0	0
Operating income	145	115	170	93	119	102	159	429	380	473
Administrative expenses	32	31	24	26	29	27	24	88	80	107
DAC amortisation and trail commissions	72	60	79	39	54	50	63	212	167	206
Expenses	105	92	103	66	82	77	88	299	247	313
Operating result	40	23	67	27	37	25	72	130	133	160
Non-operating items	-1	-2	-1	-9	-3	0	3	-4	0	-9
of which gains/losses and impairments	2	1	0	-9	10	1	3	2	14	6
of which revaluations	-3	-3	-1	-0	-13	-1	-0	-7	-14	-14
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items before tax	-0	-1	-1	-2	-1	-5	-2	-2	-8	-10
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	39	20	65	16	33	20	73	124	125	141
Taxation	7	10	7	5	5	3	13	25	20	26
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	32	10	57	10	28	17	60	99	105	116
New business										
Single premiums	-	0	6	3	2	2	8	6	13	15
Regular premiums	209	128	174	105	143	124	175	512	442	547
New sales life insurance (APE)	209	128	175	105	143	124	176	512	444	549
Key figures										
Gross premium income	906	701	951	543	682	599	854	2,557	2,135	2,678
Total administrative expenses	32	31	24	26	29	27	24	88	80	107
Cost/income ratio (Administrative expenses/Operating income)	22.3%	27.4%	14.0%	28.0%	24.4%	26.5%	15.1%	20.4%	21.1%	22.6%
Life general account invested assets ¹⁸⁾	14	13	12	11	11	10	11	14	11	11
Total provisions for insurance and investment contracts ¹⁸⁾	13	13	11	10	10	9	10	13	10	10
of which for risk policyholder ¹⁸⁾	0	0	0	0	0	0	0	0	0	0
Allocated equity (end of period)	2,650	2,822	2,313	1,879	1,757	1,667	1,808	2,650	1,757	1,879
Net operating result	29	17	48	19	26	19	49	93	94	113
Adjusted allocated equity (end of period)	1,669	1,640	1,484	1,398	1,349	1,301	1,363	1,669	1,349	1,398
Net operating ROE ²⁴⁾	6.9%	4.3%	13.2%	5.5%	7.8%	5.7%	15.6%	8.0%	9.6%	8.6%
Employees (internal FTEs, end of period)	686	669	622	616	610	609	604	686	610	616

2.5.1 ANALYSIS OF RESULTS: JAPAN LIFE - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	-6	-7	-6	-5	-6	-4	-2	-19	-12	-18
Fees and premium-based revenues	162	139	195	117	151	133	186	495	471	587
Technical margin	-11	-9	-1	-5	-4	-10	2	-21	-13	-17
Operating income non-modelled business	-0	0	-0	-0	0	-0	0	-0	0	0
Operating income	145	122	188	107	141	119	185	454	446	552
Administrative expenses	32	34	26	30	34	32	28	92	94	125
DAC amortisation and trail commissions	72	64	87	45	64	58	73	224	196	241
Expenses	105	98	114	76	98	90	102	316	290	365
Operating result	40	24	74	31	44	29	83	138	156	187
Non-operating items	-1	-2	-1	-11	-3	0	3	-5	0	-10
of which gains/losses and impairments	2	1	0	-10	12	1	4	3	17	7
of which revaluations	-3	-3	-1	-0	-15	-1	-1	-7	-17	-17
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items before tax	-0	-1	-1	-2	-1	-6	-2	-2	-9	-12
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	39	21	71	18	39	23	85	131	147	165
Taxation	7	11	8	6	6	3	15	26	24	30
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	32	10	63	12	33	20	70	105	123	135
New business										
New sales life insurance (APE)	209	136	193	121	170	145	205	538	520	641
Key figures										
Gross premium income	906	745	1,050	624	810	701	993	2,701	2,504	3,128
Total administrative expenses	32	34	26	30	34	32	28	92	94	125

2.5.2 JAPAN LIFE - PROVISIONS FOR LIFE INSURANCE AND INVESTMENT CONTRACTS

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Provisions for life insurance and investment contracts for risk of company - roll forward										
Beginning of period	12.5	10.9	10.2	9.7	9.3	9.6	8.1	10.2	8.1	8.1
Deposits	0.8	0.9	0.6	0.5	0.6	0.5	0.7	2.3	1.8	2.3
Withdrawals / Benefits	-0.4	-0.8	-0.1	-0.3	-0.3	-0.3	-0.3	-1.3	-1.0	-1.3
Net production	0.4	0.2	0.5	0.2	0.3	0.2	0.4	1.0	0.9	1.0
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
FX impact and other	0.0	1.4	0.2	0.3	0.1	-0.6	1.0	1.6	0.6	0.9
End of period	13.0	12.5	10.9	10.2	9.7	9.3	9.6	13.0	9.7	10.2

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment income	-0	0	-0	0	0	-0	0	0	-0	-0
Fees	119	113	111	119	124	129	125	343	377	496
Operating income	119	113	110	119	124	128	125	343	377	496
Administrative expenses	81	80	82	98	90	90	89	243	269	367
Operating result	38	33	29	21	34	38	36	100	108	129
Non-operating items	-1	0	-0	0	-0	-0	0	-1	0	0
Special items before tax	-1	-1	-1	-6	-3	-10	-5	-3	-18	-23
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	36	32	28	15	31	28	31	95	90	106
Taxation	10	7	8	0	8	8	8	24	24	24
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	27	24	20	15	24	20	23	71	67	82
Key figures										
Total administrative expenses	81	80	82	98	90	90	89	243	269	367
Cost/income ratio (Administrative expenses/Operating income)	68.0%	70.8%	74.0%	82.4%	72.6%	70.3%	71.2%	70.9%	71.4%	74.0%
Net inflow Assets under Management (in EUR billion)	0	0	-3	-4	-2	-2	0	-3	-5	-9
Assets under Management ¹⁸⁾	199	197	190	187	190	193	212	199	190	187
Fees/average Assets under Management (in bps)	24	23	23	25	26	25	25	24	25	25
Allocated equity (end of period)	395	420	413	392	404	397	419	395	404	392
Net operating result	29	25	22	20	25	29	28	76	82	102
Adjusted allocated equity (end of period)	395	420	413	392	405	398	419	395	405	392
Net operating ROE ²⁴⁾	28.4%	24.2%	21.4%	19.8%	25.2%	28.4%	27.3%	24.7%	27.0%	25.3%
Employees (internal FTEs, end of period)	1,129	1,144	1,167	1,180	1,188	1,176	1,173	1,129	1,188	1,180

2.6.1 ANALYSIS OF RESULTS: ASSET MANAGEMENT - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment income	-0	0	-0	0	0	-0	0	0	-0	-0
Fees	119	113	111	119	124	129	125	343	378	497
Operating income	119	113	111	119	124	128	126	343	378	497
Administrative expenses	81	80	82	98	90	90	89	243	269	368
Operating result	38	33	29	21	34	38	36	100	108	129
Non-operating items	-1	0	-0	0	-0	-0	0	-1	0	0
Special items before tax	-1	-1	-1	-6	-3	-10	-5	-3	-18	-23
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	36	32	28	15	31	28	31	96	91	106
Taxation	10	7	8	0	8	8	8	24	24	24
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	27	25	20	15	24	20	23	71	67	82
Key figures										
Total administrative expenses	81	80	82	98	90	90	89	243	269	368

2.6.2 ASSET MANAGEMENT - ASSETS UNDER MANAGEMENT AND ASSETS UNDER ADMINISTRATION

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015
Assets under Management (AuM) and Assets under Advice and Administration (AuA)							
Affiliates	128	128	122	118	118	117	131
Proprietary (general account assets)	106	106	100	93	93	91	102
Other affiliates business	22	22	22	25	25	26	29
Third parties	71	69	68	69	72	76	80
Institutional customers	32	32	32	32	36	37	40
Retail customers home markets	26	25	25	26	25	26	28
Retail customers others	13	12	11	12	11	12	13
Total Assets under Management	199	197	190	187	190	193	212
Assets under Advice and Administration	57	54	52	50	46	55	52

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015
AuM by investment							
Equity	24	23	24	26	25	28	30
Fixed income	155	154	147	142	147	147	162
Multi asset	20	19	19	19	18	19	20
Total	199	197	190	187	190	193	212

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	Affiliates	Proprietary	Other	Third Parties	Institutional	Retail home markets	Retail Others	Total
In EUR billion								
AuM roll forward								
Beginning of period	128	106	22	69	32	25	12	197
Net inflow	-1	0	0	1	1	0	0	0
Acquisition/ Divestments	0	0	0	0	0	0	0	0
Market performance (incl. FX Impact) and Other	1	0	0	2	-1	1	1	2
End of period	128	106	22	71	32	26	13	199

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015
AuM roll forward							
Beginning of period	197	190	187	190	193	212	195
Net inflow	0	0	-3	-4	-2	-2	0
Acquisition/ Divestments	0	0	0	0	0	0	0
Market performance (incl. FX Impact) and Other	2	7	6	2	-1	-16	17
End of period	199	197	190	187	190	193	212

2.7.1 ANALYSIS OF RESULTS: OTHER

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Interest on hybrids and debt	-26	-26	-26	-27	-27	-26	-25	-77	-78	-104
Investment income and fees	14	14	14	15	16	16	15	41	47	61
Holding expenses	-16	-11	-14	-19	-21	-15	-17	-41	-53	-73
Amortisation of intangible assets	-2	-2	-2	-2	-2	-2	-2	-5	-5	-6
Holding result	-30	-24	-28	-33	-34	-26	-29	-81	-90	-122
Operating result reinsurance business	2	9	3	-7	4	9	4	14	17	11
Operating result NN Bank	17	17	13	11	15	6	4	47	26	37
Other results	0	1	1	0	-9	3	1	1	-4	-4
Operating result	-11	2	-11	-29	-23	-7	-20	-20	-50	-79
Non-operating items	-1	-0	-3	22	2	0	11	-4	13	34
of which gains/losses and impairments	3	1	1	21	2	1	10	6	13	35
of which revaluations	-4	-2	-4	0	-0	-1	1	-10	-1	-0
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items before tax	-2	-5	-0	0	-0	0	-0	-7	-0	-0
Result on divestments	-	-	-	12	0	-0	0	-	-0	11
Result before tax	-14	-3	-14	5	-21	-7	-9	-31	-38	-33
Taxation	6	-2	1	-9	-7	-2	-2	5	-11	-20
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	-20	-1	-15	14	-14	-5	-7	-36	-27	-13
Key figures										
Gross premium income	5	6	4	6	2	7	5	15	14	20
Total administrative expenses	61	56	58	64	63	53	60	175	176	240
of which reinsurance business	4	4	4	3	3	3	3	11	8	11
of which NN Bank	41	42	41	40	35	36	37	123	109	149
of which corporate/holding	16	11	14	21	25	14	20	41	59	80
NN Bank common equity Tier 1 ratio phased in ²⁶⁾	14.1%	13.9%	13.3%	14.0%	13.8%	14.2%	13.8%	14.1%	13.8%	14.0%
NN Bank BIS ratio phased in ²⁶⁾	15.9%	15.7%	15.1%	16.0%	15.8%	16.4%	16.2%	15.9%	15.8%	16.0%
Total assets NN Bank ¹⁸⁾	14	13	12	12	11	11	10	14	11	12
Net operating result NN Bank	13	12	10	8	11	5	3	35	20	28
Adjusted allocated equity NN Bank (end of period)	481	468	455	445	437	424	362	481	437	445
Net operating ROE NN Bank ²⁷⁾	10.6%	10.8%	8.7%	7.3%	10.7%	5.1%	3.6%	10.1%	6.6%	6.9%
Total provisions for insurance and investment contracts ¹⁸⁾	0	0	1	1	1	1	1	0	1	1
Allocated equity (end of period) ²⁸⁾	975	884	693	659	296	433	354	975	296	659
Net operating result ²⁹⁾	-17	-6	-17	-34	-22	-14	-24	-40	-60	-94
Adjusted allocated equity (end of period) ²⁸⁾	842	771	519	526	155	299	181	842	155	526
Employees (internal FTEs, end of period)	1,759	1,750	1,772	1,763	1,793	1,811	1,833	1,759	1,793	1,763

2.7.1 ANALYSIS OF RESULTS: OTHER - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Interest on hybrids and debt	-26	-26	-26	-27	-27	-26	-25	-77	-78	-104
Investment income and fees	14	14	14	15	16	16	15	41	47	61
Holding expenses	-16	-11	-14	-19	-21	-15	-17	-41	-53	-73
Amortisation of intangible assets	-2	-2	-2	-2	-2	-2	-2	-5	-5	-6
Holding result	-30	-24	-28	-33	-34	-26	-29	-81	-89	-122
Operating result reinsurance business	2	9	3	-7	4	9	4	14	17	11
Operating result NN Bank	17	17	13	11	15	6	4	47	26	37
Other results	0	1	0	0	-9	3	1	1	-5	-4
Operating result	-11	2	-11	-29	-23	-8	-20	-20	-50	-79
Non-operating items	-1	-0	-3	21	2	0	11	-4	13	34
of which gains/losses and impairments	3	1	1	21	2	1	10	6	13	34
of which revaluations	-4	-2	-4	0	-0	-1	1	-10	-1	-0
of which market & other impacts	-	-	-	-	-	-	-	-	-	-
Special items before tax	-2	-5	-0	0	-0	0	-0	-7	-0	-0
Result on divestments	-	-	-	12	0	-0	0	-	-0	11
Result before tax	-14	-3	-14	5	-21	-8	-9	-31	-38	-34
Taxation	6	-2	1	-9	-7	-2	-2	5	-11	-20
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	-20	-1	-15	14	-14	-6	-7	-36	-27	-13
Key figures										
Gross premium income	5	6	4	6	2	7	5	15	14	20
Total administrative expenses	61	56	58	64	63	54	60	175	176	241
of which reinsurance business	4	4	4	3	3	3	3	11	8	11
of which NN Bank	41	42	41	40	35	36	37	123	109	149
of which corporate/holding	16	11	14	21	25	15	20	41	60	80

2.7.2 NN BANK - SAVINGS AND DEPOSITS AND MORTGAGES

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Savings & Deposits - roll forward										
Beginning of period	9.3	8.6	8.0	8.1	8.0	7.7	7.0	8.0	7.0	7.0
Deposits	0.9	1.2	1.2	0.8	0.6	0.8	1.3	3.3	2.7	3.5
Withdrawals / Benefits	-0.5	-0.6	-0.6	-0.8	-0.5	-0.5	-0.6	-1.7	-1.6	-2.4
Net production	0.4	0.6	0.6	-0.1	0.1	0.3	0.7	1.6	1.1	1.1
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	-	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	9.7	9.3	8.6	8.0	8.1	8.0	7.7	9.7	8.1	8.0
In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Mortgages - roll forward										
Beginning of period	11.4	10.9	10.5	10.0	9.5	8.6	7.9	10.5	7.9	7.9
Production	1.0	1.1	1.4	1.1	1.2	0.9	1.0	3.6	3.1	4.3
Redemptions	-0.2	-0.2	-0.2	-0.3	-0.2	-0.1	-0.1	-0.7	-0.4	-0.7
Net production	0.8	0.9	1.2	0.9	1.0	0.8	0.9	2.9	2.7	3.6
Acquisition / Divestments / Transfers	-0.4	-0.4	-0.8	-0.4	-0.5	0.1	-0.1	-1.6	-0.6	-1.0
Market performance / Interest credited	-	-	-	-	-	-	-	-	-	-
FX impact and other	-	-	-	-	-	-	-	-	-	-
End of period	11.8	11.4	10.9	10.5	10.0	9.5	8.6	11.8	10.0	10.5

2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	-1	-1	-1	-1	-0	-	-	-2	-0	-1
Fees and premium-based revenues	14	15	14	20	23	25	27	43	74	95
Technical margin	-	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	0	0	-0	-0	-0	0	0	0	0	-0
Operating income	14	14	14	20	23	25	27	42	74	94
Administrative expenses	4	4	4	5	4	5	5	12	14	19
DAC amortisation and trail commissions	2	2	2	2	2	3	3	5	8	10
Expenses	6	6	6	7	6	8	8	17	22	29
Operating result	8	8	8	12	16	16	19	24	52	64
Non-operating items	-21	-36	-77	12	-80	27	-3	-134	-56	-44
of which gains/losses and impairments	-0	-0	-	-	-	-	-	-0	-	-
of which revaluations	-	-	-	-	-	-	-	-	-	-
of which market & other impacts	-21	-36	-77	12	-80	27	-3	-134	-56	-44
Special items before tax	-	-	-	-	-	-	-	-	-	-
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	-13	-28	-69	24	-64	43	16	-110	-4	20
Taxation	-3	-7	-16	6	-19	4	-2	-27	-17	-11
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	-9	-21	-53	17	-44	39	18	-83	13	31
Key figures ³⁰⁾										
Gross premium income	1	1	1	1	2	3	1	3	6	8
Allocated equity	627	712	819	946	963	1,007	1,065	627	963	946
Account value	8,699	9,064	9,125	10,028	10,217	11,610	13,646	8,699	10,217	10,028
Net Amount at Risk	917	1,021	498	203	379	76	98	917	379	203
IFRS Reserves	1,176	1,335	824	514	688	403	517	1,176	688	514
Number of policies	163,450	173,806	186,789	202,192	219,824	239,510	266,572	163,450	219,824	202,192
Employees (internal FTEs, end of period)	51	60	67	103	104	103	95	51	104	103

2.8.1 ANALYSIS OF RESULTS: JAPAN CLOSED BLOCK VA - EXCLUDING CURRENCY EFFECTS

In EUR million	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Analysis of results										
Investment margin	-1	-1	-1	-1	-0	-	-	-2	-0	-1
Fees and premium-based revenues	14	16	16	23	27	29	32	46	88	111
Technical margin	-	-	-	-	-	-	-	-	-	-
Operating income non-modelled business	0	0	-0	-0	-0	0	0	0	0	0
Operating income	14	15	15	23	27	29	32	44	87	110
Administrative expenses	4	5	4	6	5	6	6	13	17	23
DAC amortisation and trail commissions	2	2	2	2	3	3	3	6	9	12
Expenses	6	6	6	9	8	9	9	18	26	35
Operating result	8	9	9	14	19	19	23	26	61	76
Non-operating items	-21	-36	-77	12	-80	27	-3	-134	-56	-45
of which gains/losses and impairments	-0	-0	-	-	-	-	-	-0	-	-
of which revaluations	-	-	-	-	-	-	-	-	-	-
of which market & other impacts	-21	-36	-77	12	-80	27	-3	-134	-56	-45
Special items before tax	-	-	-	-	-	-	-	-	-	-
Result on divestments	-	-	-	-	-	-	-	-	-	-
Result before tax	-13	-27	-68	26	-61	46	20	-108	5	31
Taxation	-3	-7	-16	7	-18	5	-3	-26	-17	-10
Minority interests	-	-	-	-	-	-	-	-	-	-
Net result	-9	-20	-52	19	-42	41	23	-82	22	41

2.8.2 JAPAN CLOSED BLOCK VA - ACCOUNT VALUE

In EUR billion	3Q2016	2Q2016	1Q2016	4Q2015	3Q2015	2Q2015	1Q2015	9M2016	9M2015	FY2015
Account value - roll forward										
Beginning of period	9.1	9.1	10.0	10.2	11.6	13.6	13.2	10.0	13.2	13.2
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Withdrawals / Benefits	-0.6	-0.7	-0.7	-0.9	-1.0	-1.5	-1.5	-1.9	-4.0	-4.8
Net production	-0.6	-0.6	-0.7	-0.9	-1.0	-1.5	-1.5	-1.9	-4.0	-4.8
Acquisition / Divestments / Transfers	-	-	-	-	-	-	-	-	-	-
Market performance / Interest credited	0.2	-0.5	-0.4	0.4	-0.6	0.2	0.3	-0.7	-0.1	0.3
FX impact and other	0.0	1.1	0.2	0.3	0.2	-0.8	1.6	1.3	1.0	1.3
End of period	8.7	9.1	9.1	10.0	10.2	11.6	13.6	8.7	10.2	10.0

NOTES

- 1) Revaluation reserves for debt securities, equity securities and property in own use, the cash flow hedge reserve, the related crediting to policyholders and the coupon on undated subordinated notes recognized in equity.
- 2) The segment 'Other' comprises of the allocated equity of NN Bank, reinsurance business and the cash capital position, other assets and debt of the holding company.
- 3) The solvency ratios are not final until filed with the regulators. The Solvency II ratio is based on the Partial Internal Model.
- 4) NN Bank is excluded from Own Funds following NN Group's designation as a financial conglomerate (FICO) effective from 1 January 2016. This deduction is presented in one line since 1Q2016.
- 5) Includes interest on subordinated loans provided to subsidiaries by the holding company.
- 6) Includes the change of subordinated loans provided to subsidiaries by the holding company.
- 7) Includes interest on subordinated loans and debt, holding company expenses and other cash flows.
- 8) 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.
- 9) Cash capital is defined as net current assets available at the holding company.
- 10) Other assets contain Reinsurance contracts, Property and equipment, Intangible assets, and Deferred acquisition costs.
- 11) The numbers presented are on a last 12-months basis.
- 12) Including AZL.
- 13) Including Mandema & Partners and Zicht broker businesses.
- 14) Segment Other excluding NN Bank and the reinsurance business.
- 15) Basic earnings per ordinary share is calculated as the net result, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by the weighted average number of ordinary shares outstanding (net of treasury shares).
- 16) Diluted earnings per share is calculated as if the share plans and warrants outstanding at the end of the period had been exercised at the beginning of the period and assuming that the cash received from exercised share plans and warrants was used to buy own shares against the average market price during the period. The net decrease in the number of shares results from the cancellation of shares following the share buy back programme.
- 17) Excluding Mandema & Partners and Zicht broker businesses.
- 18) End of period, in EUR billion.
- 19) Four-quarter rolling average.
- 20) The solvency ratios are not final until filed with the regulators. SII ratios are based on the partial internal model. The 4Q2015 NN Life SII ratio reflects the dividend of EUR 150 million paid to NN Group in March 2016.
- 21) Net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 22) Allocated equity, adjusted for revaluation reserves and excluding undated subordinated notes classified in equity.
- 23) Net operating ROE is calculated as the (annualised) net operating result of the ongoing business, adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity, divided by (average) adjusted allocated equity of ongoing business. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 30 June 2016 Condensed consolidated interim financial information.
- 24) Net operating ROE is calculated as the (annualised) net operating result of the segment, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves and undated subordinated notes classified as equity. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 30 June 2016 Condensed consolidated interim financial information.
- 25) The numbers shown under Off balance pension funds exclude IFRS shareholders' equity related to the respective pension businesses and include the assets under administration.
- 26) 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.
- 27) Net operating ROE is calculated as the (annualised) net operating result of NN Bank, divided by (average) adjusted allocated equity. Adjusted allocated equity is an Alternative Performance Measure. It is derived from IFRS equity by excluding revaluation reserves. Reference is made to the section 'Alternative Performance measures (Non-GAAP measures)' in the 30 June 2016 Condensed consolidated interim financial information.
- 28) (Adjusted) allocated equity excluding undated subordinated notes classified in equity.
- 29) Net operating result is adjusted to reflect the deduction of the accrued coupon on undated subordinated notes classified in equity.
- 30) End of period, except Gross premium income.

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 accounts for the period ended 30 September 2016. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in NN Group's core markets, (2) changes in performance of financial markets, including developing markets, (3) consequences of a potential (partial) break-up of the euro, (4) changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in investor, customer and policyholder behaviour, (11) changes in general competitive factors, (12) changes in laws and regulations, (13) changes in the policies of governments and/or regulatory authorities, (14) conclusions with regard to accounting assumptions and methodologies, (15) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, (16) changes in credit and financial strength ratings, (17) NN Group's ability to achieve projected operational synergies and (18) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by NN Group.

Any forward-looking statements made by or on behalf of NN Group speak only as of the date they are made, and, NN Group assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.