

Annual Report 2015

Delta Lloyd Asset Management N.V.

Amsterdam

Address:

Delta Lloyd Asset Management N.V.
Amstelplein 6
1096 BC Amsterdam
The Netherlands

Post address:

PO box 1000
1000 BA Amsterdam
The Netherlands

Website:

www.deltalloydassetmanagement.nl

Table of Contents

Report of Executive Board	2
There are no other significant events after the balance sheet date.....	5
Financial Statements	7
Balance sheet as at 31 December 2015.....	8
Income statement for the year 2015	9
Cash flow statement for 2015.....	10
Notes to the balance sheet and income statement	11
1 General	11
1.1 Activities	11
1.2 Main developments during the year	11
1.3 Group companies	12
1.4 Other associates	12
1.5 Notes to the cash flow statement	13
1.6 Risk management	13
2 Accounting principles for the valuation of assets and liabilities	15
2.1 General	15
2.2 Comparison with previous year	15
2.3 Intangible fixed assets	15
2.4 Receivables	15
2.5 Shareholders' equity	15
2.6 Current liabilities	15
2.7 Off balance sheet items	15
3 Principles for determining the result	16
3.1 General	16
3.2 Net revenue	16
3.3 Expenses	16
3.4 Interest income and other similar income	16
3.5 Interest expense and other similar expense	16
3.6 Taxes	16
4 Notes to the balance sheet	17

4.1	<i>Intangible fixed assets</i>	17
4.2	<i>Amounts receivable from group companies</i>	17
4.3	<i>Amounts receivable from related parties</i>	17
4.4	<i>Amounts receivable from external parties</i>	17
4.5	<i>Cash and cash equivalents</i>	18
4.6	<i>Shareholders' equity</i>	18
	Result for the year	18
	Proposed appropriation of result	19
4.7	<i>Amounts payable to group companies</i>	19
4.8	<i>Other liabilities</i>	19
4.9	<i>Off-balance sheet items</i>	19
5	Notes to the income statements	20
5.1	<i>Net revenue</i>	20
5.2	<i>Distribution expenses</i>	20
5.3	<i>Other operating expenses</i>	20
5.4	<i>Income taxes</i>	21
6	Other	22
6.1	<i>Employees</i>	22
6.2	<i>Remuneration of the Executive Board</i>	22
	Other information	23
	Provisions in the Articles of Association with regard to the appropriation of profit	24

Report of Executive Board

In 2015, Delta Lloyd Asset Management N.V. (the "Company") realized a profit before taxes of EUR 43.0 million compared to EUR 20.8 million in 2014. This higher profit is mainly attributable to the management fees received.

Multiple year overview

EUR (x 1,000)

	2015	2014	2013	2012
Income statement				
Net revenue	122,683	100,912	120,236	111,716
Operating profit / (loss)	42,968	20,800	30,923	29,612
Profit / (loss) after taxation	31,861	15,475	23,068	22,088
Balance sheet				
Total assets	99,539	65,403	59,100	67,884
Shareholders' equity	59,251	42,865	50,458	54,478

The financial statements over 2014 were adopted at the General Meeting of Shareholders held on 28 April 2015, where the shareholders resolved to distribute a dividend of EUR 15.475 million.

Risk management

Increasing attention is being devoted to risk management within Delta Lloyd, and specifically Delta Lloyd Asset Management N.V. The organisation is therefore continually seeking to improve in this respect and applies a series of guidelines and 'best practices' for the financial sector to manage the risks to which it is exposed.

Risk management process

The process for managing risks involves a series of periodic steps. These steps – identifying risks, analysing risks, determining our appetite for each type of risk, mitigating risks, reporting risks and assessing risks – are performed annually.

Risk management organisation

The risk management process comprises three lines of defence. The first of these is the risk owner, while the second line oversees and supports the risk management process and the third ensures that the first and second lines operate and cooperate effectively.

The first line covers the entire organisation of production and control. It was decided in 2015 to position the second line below the group's Chief Financial and Risk Officer, who is independently responsible for overseeing implementation of the risk management process within the organisation. These second-line activities are performed by the Operational Risk Management and Compliance departments. Finally, the third line involves Group Audit (from Delta Lloyd N.V.) examining how risk management operates within the organisation.

Identifying risks

Each year, risks are identified by the Executive Board in a strategic risk assessment. This is supplemented by a quarterly risk assessment by management. These assessments are supported by the second line, which also compiles quarterly and annual reports.

Managing risks

The organisation applies an extensive system of SOX, Solvency II and ISAE 3402 controls to manage its risks. The second line checks whether these controls have been performed and reports on this independently to the Executive Board. The number of controls found to be operating inadequately decreased significantly in 2015, while the residual risks have been categorised as low.

Significant risks in 2015

A total of 15 risks were identified in 2015 as being significant, partly based on scenarios and partly on risk categories. Management has estimated the extent of these risks, taking account of the mitigating measures in place. The probability of these risks occurring has also been estimated, as has the net effect after the mitigating measures. The overall outcome was then examined against the capital available for absorbing the identified risks. The Executive Board has concluded on this basis that Delta Lloyd Asset Management N.V. is sufficiently solvent.

The largest net risks remaining after application of the risk management measures are grouped by strategic, operational, financial, financial reporting and law®ulatory risk:

Strategic risks:

Instability of the securities markets

This is the risk of a downturn in the financial markets that results in a reduction in DLAM's assets under management and a resultant decrease in fee income.

Capital held for this risk: €1,533,300, based on the net margin and the high volatility in the securities markets in the last few months of 2015. We increased the capital held in this respect because we expect this situation to occur once every 5 years. It should be noted, however, that Delta Lloyd Asset Management N.V. invests increasingly in fixed income and that these markets are far less volatile than equity markets. The above amount is based on net revenue of €51,110,000 (3%) and the fact that this is a major risk. This risk is classified as such and is mitigated by early reporting and monitoring of profitability. Collateral management processes have also been introduced, and these are managed by the Mid-Office team.

Risk that Delta Lloyd Asset Management N.V. cannot execute the fund strategy

This is the risk that changing market sentiment will result in Delta Lloyd Asset Management N.V. no longer being able to meet client demands. This will result in an outflow from existing investment funds and ultimately in lower fee income.

Capital held for this risk: €1,533,300, based on net revenue of €51,110,000 (3%) and the fact that this is a major risk. This risk is classified as such and is managed by Delta Lloyd Asset Management N.V. through an improved system of performance measurements.

The Product Management team and the Financial Risk Management department help provide more insight into the fund strategy so that any intervention needed can be timely. A Product Approval and Review Process has also been put in place for introducing new funds and performing periodic market and other analyses of existing funds.

Operational risks:

IT risk

This is the risk that ICT systems will fail and that new/existing applications will either not function or not function adequately. The costs of remedying or repairing such failures will be high, while the extra human resources required will also create additional costs.

Capital held for this risk: €834,300, based on 15% of the total costs and the assumption that this could happen once every 5 years.

This risk is mitigated by liaising with Group IT&S of Delta Lloyd N.V. and the Information Management department of Delta Lloyd Asset Management N.V., as well as through the security policy.

Structural underperformance of investments

Poor investment returns could result in an outflow of clients from the funds. This could subsequently lead to lower management fees and a poor image. There is also the possibility that the focus may switch to short-term performance in order to boost these returns.

Capital held for this risk: €766,650, based on the net margin and the fact that investments do not always outperform the benchmark. We expect this to occur once every 10 years.

To manage this risk, DLAM spreads its investments over various investment strategies and asset classes. In addition, the Financial Risk Management department and Investment Analysis team compile analyses and reports that are used as the basis for periodic adjustments.

Risk of business interruption

This is the risk of DLAM being unable to use its premises, ICT or telephony for a shorter or longer period. This would result in people being unable to perform their work, in our organisation being unable to calculate the net asset value (because of incorrect information on the website) and in clients no longer being able to contact us. This in turn could lead both to claims by clients because of a failure to provide services and to funds incurring losses.

Capital held for this risk: €480,000, based on a non-recurring impact of €12,000,000. This represents the costs to DLAM of our systems and buildings being unavailable for 48 hours. This is expected to occur once every 25 years.

This risk is mitigated by a Business Continuity Plan applying within DLAM, agreements with Group IT&S of Delta Lloyd N.V. and a contingency plan.

Financial risks:

DLAM is not exposed to financial risks, since DLAM only acts on behalf of its customer.

Law and regulatory risks:

No new laws and regulations were introduced during the reporting period of this annual report. For 2016 a number of new regulations are coming into effect for DLAM to adhere to. These include but are not limited to UCITS V, EMIR and MAR II. The Executive Board has no appetite for law and regulatory risk. For these regulations, projects are defined and the regulations are in the process of being implemented. Management expects that these regulations will be implemented in time and in accordance to the regulations.

The following table summarises the top 5 risks.

	Calculation base	Impact	Probability	Capital
Total				€13,459,524
Instability of securities markets	€51,110,000	€7,666,500	20%	€1,533,300
Inability to execute fund strategy	€51,110,000	€1,533,300	100%	€1,533,300
IT risks	€27,810,000	€4,171,500	20%	€834,300
Structural underperformance	€51,110,000	€7,666,500	10%	€766,650
Business interruption	€12,000,000	€12,000,000	4%	€480,000

Development of risks in 2015 financial year

The CIO and Equities Manager left the organisation in May 2014 and March 2015 respectively. To the outside world, these were the public faces of our participation strategy and, as a result, Morningstar placed the participation funds under review. In other respects, the impact of these departures remained limited.

The main risk materialising in 2015 was the AFM's decision to impose a fine for a lack of sound business practices at Delta Lloyd Asset Management in the period between 1 April 2012 and 26 November 2014. Delta Lloyd decided in late 2015 to pay the fine of €750,000. This case damaged our reputation, while the full impact of it may not yet be sufficiently visible. At the time of the decision, account was taken of a possible outflow of funds. So far, however, the direct effect appears to be limited. Delta Lloyd Asset Management N.V. has seen a modest outflow of assets under management, while the fund distribution partners have obviously been critical and, in August 2015, Morningstar put the ratings of all investment funds under review. Given the lack of observed outflow, DLAM concludes that this risk has no further consequences and does not rate it significant.

Improvements in risk management

As a result of the above, it was decided to assign a stronger role to the risk management and compliance functions. As well as creating a separate Chief Risk Officer at Executive Board level, the Compliance & Operational Risk and the Financial Risk departments have been reinforced, both in terms of quantity and quality. Various committees and boards assigning an explicit role to risk management have also been set up. In addition, training has been provided and a new risk framework (the Integrated Risk and Control Framework), to be implemented during 2016 and early 2017, has been introduced.

The Executive Board cannot give any forecasts for 2016 as results are highly dependent on developments in the market.

There are no other significant events after the balance sheet date.

As at 11 January 2016 C.W. van Diepen resigned as CFRO of Delta Lloyd Asset Management N.V.

Finally, the Executive Board only consists of male members. For the next vacancy a gender balance with female board members will be taken into consideration.

Amsterdam, 3 mei 2016

T.J. Maters
R. van Mazijk

Financial Statements

Balance sheet as at 31 December 2015

(before proposed appropriation of result)

EUR (x 1,000)	Note.	<u>31.12.2015</u>	<u>31.12.2014</u>
ASSETS			
Intangible fixed assets			
Goodwill	4.1	10,000	12,500
Receivables			
Amounts receivable from group companies	4.2	675	1,618
Amounts receivable from related parties	4.3	45,257	24,583
Amounts receivable from external parties	4.4	934	803
		<u>46,866</u>	<u>27,004</u>
Cash and cash equivalents	4.5	42,673	25,899
TOTAL ASSETS		<u>99,539</u>	<u>65,403</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued and paid-up share capital	4.6	57	57
Other reserves	4.6	27,333	27,333
Result for the year	4.6	31,861	15,475
		<u>59,251</u>	<u>42,865</u>
Current liabilities			
Amounts payable to group companies	4.7	38,727	20,621
Other liabilities	4.8	1,561	1,917
		<u>40,288</u>	<u>22,538</u>
TOTAL EQUITY AND LIABILITIES		<u>99,539</u>	<u>65,403</u>

Income statement for the year 2015

EUR (x 1,000)	Note.	<u>2015</u>	<u>2014</u>
Income			
Net revenue	5.1	122,683	100,912
		<u>122,683</u>	<u>100,912</u>
Total operating expenses			
Distribution expenses	5.2	44,874	49,802
Other operating expenses	5.3	32,341	27,810
Amortisation of intangible fixed assets	4.1	2,500	2,500
		<u>79,715</u>	<u>80,112</u>
Operating profit / (loss)		<u>42,968</u>	<u>20,800</u>
Finance income and expenses			
Interest income and other related income		-	13
Interest expenses and other related expenses		(70)	(13)
		<u>(70)</u>	<u>-</u>
Profit / (loss) before taxation		<u>42,898</u>	<u>20,800</u>
Income tax	5.4	11,037	5,325
Profit / (loss) after taxation		<u><u>31,861</u></u>	<u><u>15,475</u></u>

Cash flow statement for 2015

EUR (x 1,000)	2015	2014
Cash flow from operating activities		
Profit / (loss) after taxation	31,861	15,475
Increase (-) / decrease (+) in receivable	(19,862)	13,454
Increase (+) / decrease (-) in current liabilities	17,750	13,896
Amortisation of intangible fixed assets	2,500	2,500
	<u>32,249</u>	<u>45,325</u>
Cash flow from financing activities		
Dividend paid	(15,475)	(23,068)
Interim dividend paid	-	-
	<u>(15,475)</u>	<u>(23,068)</u>
Increase / (decrease) Cash and cash equivalents	<u>16,774</u>	<u>22,257</u>
Cash and cash equivalents at the beginning of the year	25,899	3,642
Cash and cash equivalents at the end of the year	42,673	25,899
Increase / (decrease) Cash and cash equivalents	<u>16,774</u>	<u>22,257</u>

Notes to the balance sheet and income statement

1 General

1.1 Activities

The original company was established on 28 December 1938. On 24 October 2001 the company's name was changed and the articles of association were amended and the current activities were added. The company's activities consist of investing, managing and bookkeeping funds entrusted to it by third parties. For the purposes of its business activities Delta Lloyd Asset Management N.V. is licensed as a manager of alternative investment funds (AIF's) and UCITS within the meaning of Articles 2:65 and 2:69b of the Financial Supervision Act [Wet op het financieel toezicht].

1.2 Main developments during the year

The following main developments have been identified during the year:

Merger Classes

15/09/2015	Delta Lloyd L Money Market Fund all share classes merged into class Cc
------------	--

Liquidated Funds

07/04/2015	Delta Lloyd L Cyrte Latam Fund
------------	--------------------------------

New fund

Delta Lloyd Sovereign XXL Bond Fund was launched at September 1, 2015.

Post balance sheet events

The fund management of the Belgian Funds was transferred to Bank Nagelmackers per 11.01.2016.

Change of management of Delta Lloyd Asset Management N.V.

Koos van Diepen resigned as at 11 January 2016 as CFRO of Delta Lloyd Asset Management N.V.

The fund management of the Belgian Funds was transferred to Bank Nagelmackers per 11.01.2016.

Belgian Funds

Delta Lloyd Institutional European Equities

Delta Lloyd Institutional Medium Term

Delta Lloyd Institutional Variable Term

Delta Lloyd Multifund Balanced

Delta Lloyd Multifund Conservative

Delta Lloyd Multifund Full Equities

Delta Lloyd Multifund Growth

Delta Lloyd Premium Piano Fund

Delta Lloyd Premium Moderato Fund

Delta Lloyd Premium Crescendo Fund

1.3 Group companies

Delta Lloyd Asset Management N.V. ("the Company") is a member of the Delta Lloyd group of companies, which is headed by Delta Lloyd N.V., Amsterdam. Delta Lloyd Asset Management N.V. is a wholly owned subsidiary of Delta Lloyd N.V. The latter has filed a statement of joint and several liabilities in accordance with Article 403, Title 9, Book 2, of the Dutch Civil Code and so has declared itself jointly and severally liable for debts arising from legal acts of the Company. The Company uses the services of the Delta Lloyd in performing its activities. The entities covered by the joint venture agreement between Delta Lloyd N.V. and ABN AMRO N.V. constitute group companies.

1.4 Other associates

In addition to the companies belonging to Delta Lloyd, the Delta Lloyd (institutional) investment funds are also considered to be related parties given that the Company is responsible (or partly responsible) for managing these funds. The Delta Lloyd (institutional) investment funds are:

Delta Lloyd Investment Funds

Delta Lloyd Deelnemingen Fonds N.V.
Delta Lloyd Dollar Fonds N.V.
Delta Lloyd Euro Credit Fund N.V.
Delta Lloyd Europees Deelnemingen Fonds N.V.
Delta Lloyd Investment Fund N.V.
Delta Lloyd Mix Fonds N.V.
Delta Lloyd Rente Fonds N.V.
Delta Lloyd Select Dividend Fonds N.V.

SICAV Investment Funds (Luxembourg)

Delta Lloyd L Asian Participation Fund
Delta Lloyd L Bond Euro
Delta Lloyd L European Fund
Delta Lloyd L European Participation Fund
Delta Lloyd L Global Property Fund
Delta Lloyd L Global Fund
Delta Lloyd L Money Market Fund
Delta Lloyd L Cyrte Global Fund

Delta Lloyd Privilege- Absolute Return Alpha

Delta Lloyd Institutional Investment Funds

Delta Lloyd Institutioneel Blue Return Fund
Delta Lloyd Institutioneel Global Equity Index Fund
Delta Lloyd Institutioneel Property Fund
Delta Lloyd Institutioneel Wereld Fonds

Delta Lloyd Institutioneel Mix Defensief
Delta Lloyd Institutioneel Mix Neutraal
Delta Lloyd Institutioneel Mix Offensief

Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 1-2

Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 3-4
Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 5-7
Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 8-10
Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 11-15
Delta Lloyd Institutioneel Pensioenstabilisatie Fonds 15+

Delta Lloyd Fixed Income Umbrella

Delta Lloyd Sovereign XLT Bond Fund
Delta Lloyd Sovereign LT Bond Fund
Delta Lloyd Sovereign Bond Fund
Delta Lloyd Corporate Bond Fund
Delta Lloyd Collateralized Bond Fund
Delta Lloyd Sub-sovereign Bond Fund
Delta Lloyd Sovereign XXLT Bond Fund

Other

Daedalus Fund plc
Delta Lloyd Mezzanine Fund
Cyrte Africa Fund

1.5 Notes to the cash flow statement

The cash flow statement is prepared in accordance with the indirect method. A distinction is drawn between cash flows from operating, investing and financing activities. Interest income and expense are shown in the cash flow statement as cash flow from operating activities.

1.6 Risk management

The main purpose of the Company is aspiring to obtain the highest possible return by investing, managing and bookkeeping funds entrusted to it by third parties.

In general the investment company is exposed to different risks like interest rate risk, credit risk, liquidity risk and foreign currency risks. Managing these risks is an essential part of the daily operational processes of the investment manager under the responsibility of Delta Lloyd Asset Management N.V.

Interest rate risk

Interest rate risk is considered to be low given that no or limited interest is calculated on the intangible fixed asset, the receivables, cash and cash equivalents and current liabilities.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge a contractual or other agreed obligation (including obligations relating to credits, loans, receivables and guarantees received). Given the nature of the business activities, the credit risk on the receivables is limited given that most of the receivables are owed from group companies or related parties.

Liquidity risk

Liquidity risk is the risk of the Company being unable at any time to meet its payment commitments without incurring disproportionate losses. Given the nature of the business activities, this risk is considered to be very low and no special measures, other than the usual management and control measures, have therefore been taken. As per year end the Company has a positive working capital position.

Currency risk

As at the balance sheet date the sum of assets and liabilities denominated in foreign currency was nil. Therefore the Company runs no currency risk.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, from employee errors or from external events. Operational risk includes IT risk, reputational risk, the risk of outsourcing and legal risk. Periodic self assessments are used to identify operational risks. Incidents are recorded in a register and, if necessary action or further action is taken.

The operation processes are documented and are in line with the requirements of the Financial Supervision Act [Wet financieel toezicht] and the Decree on the Supervision of the Conduct of Financial Enterprises [Besluit gedragstoezicht financiële ondernemingen].

2 Accounting principles for the valuation of assets and liabilities

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2, of the Dutch Civil Code and the Financial Supervision Act. The financial statements are presented in Euros, the Company's functional currency. Assets and liabilities are shown at nominal value, unless stated otherwise. The financial statements were prepared on 4 april 2016.

2.2 Comparison with previous year

The principles used for valuing assets and liabilities and determining the result are unchanged in relation to the previous reporting year.

2.3 Intangible fixed assets

Initial recognition of intangible fixed assets is at cost and is amortized over 10 years. If required, a provision for impairment is taken.

2.4 Receivables

Receivables are shown at nominal value less any provisions deemed necessary for bad or doubtful debts.

2.5 Shareholders' equity

Shareholders' equity consists of paid-up share capital, other reserves and the result of the year under review. Other reserves comprise the cumulative results of previous years less any dividends paid.

2.6 Current liabilities

Current liabilities are shown at nominal value.

2.7 Off balance sheet items

Financial fixed assets, which included the preferred shares held in investment funds, are valued at nominal value. These preferred shares will receive a special profit allowance from these funds when specific conditions are met.

3 Principles for determining the result

3.1 General

The result is determined as the difference between the income from and the costs of services supplied and other expense items in the year. Foreseeable obligations and possible losses arising during the financial year are recognized if they are known at the time of the financial statements being prepared, with account being taken of the conditions applying in respect of provisions.

3.2 Net revenue

Net revenue comprises the management and performance fees charged to the investment funds listed in section 1.3 in accordance with the applicable prospectuses or conditions of management and custody. This item also includes the fees received in respect of the joint venture agreement between Delta Lloyd N.V. and ABN AMRO N.V. for managing the investment portfolios. The Company also receives a fee for managing institutional investment portfolios under investment mandates.

Fees are allocated to the period to which they relate.

3.3 Expenses

Distribution expenses are the amounts paid to distributors.

Other operating expenses are the amounts charged to the Company for management of the investment portfolios.

Expenses are allocated to the period to which they relate.

3.4 Interest income and other similar income

This item comprises interest received on bank accounts, call money and deposits and interest on receivables.

3.5 Interest expense and other similar expense

This item comprises interest paid on bank accounts, deposits and interest on payables.

3.6 Taxes

Delta Lloyd Asset Management N.V. is part of the fiscal unity of Delta Lloyd N.V. Within this fiscal unity taxes are settled as if each company were an independent taxable entity. Taxes are calculated on the result disclosed in the income statement, taking into account of tax-exempt items and partly or completely non-deductible expenses. The amount of income taxes due is shown in the financial statements and paid to Delta Lloyd N.V.

4 Notes to the balance sheet

4.1 Intangible fixed assets

EUR (x 1.000)	2015	2014
As at 1 January	12,500	15,000
Amortisation	(2,500)	(2,500)
As at 31 December	10,000	12,500

EUR (x 1.000)	2015	2014
Historical cost	25,000	25,000
Accumulative amortisation	(15,000)	(12,500)
As at 31 December	10,000	12,500

Intangible fixed assets comprises the goodwill paid to Dresdner VPV N.V. on the acquisition of customer relationships of Dresdner VPV N.V. in order to obtain the total investment management contract of Delta Lloyd Deelnemingen Fonds N.V. The goodwill is amortized over a period of 10 years. This represent the duration of the expected positive cash flows from the contract. No impairment is deemed necessary given the positive cash flow prediction.

4.2 Amounts receivable from group companies

EUR (x 1.000)	2015	2014
Delta Lloyd Private Equity 2007 B.V.	341	1,033
Delta Lloyd Private Equity America 2007 B.V.	87	427
Delta Lloyd Banken N.V.	91	91
ABN-AMRO Verzekeringen N.V.	156	67
As at 31 December	675	1,618

4.3 Amounts receivable from related parties

EUR (x 1.000)	2015	2014
Delta Lloyd investment funds	45,257	24,583
As at 31 December	45,257	24,583

4.4 Amounts receivable from external parties

This item largely comprises amounts receivable from asset management parties, Triodos SICAV I, BNP Paribas and Nomura. No provision for bad or doubtful debts had been made as at 31 December 2015 (2014: nil).

4.5 Cash and cash equivalents

EUR (x 1.000)	2015	2014
Current account Delta Lloyd Treasury B.V.	42,073	25,262
Bank	600	637
As at 31 December	42,673	25,899

Cash and cash equivalents are available on demand and interest bearing. 0.1801% interest per day is paid on the current accounts at Delta Lloyd Treasury B.V., a related party. This interest rate is considered to be in line with market conditions.

4.6 Shareholders' equity

Issued and paid-up share capital

The company's authorized capital as at 31 December 2015 was EUR 907,560, comprising 2,000 ordinary shares, each of EUR 453.78 nominal value. At the end of 2015, 500 ordinary shares had been issued, on which an amount of EUR 113.45 per share, being 25% of the nominal value, had been paid-up.

EUR (x 1.000)	2015	2014
Issued share capital as at 1 January	227	227
New shares issued	-	-
Issued share capital as at 31 December	227	227
Paid-up share capital as at 1 January	57	57
Paid-up capital	-	-
Paid-up share capital as at 31 December	57	57

Other reserves

EUR (x 1.000)	2015	2014
As at 1 January	27,333	27,333
Interim dividend paid	-	-
As at 31 December	27,333	27,333

Result for the year

EUR (x 1.000)	2015	2014
As at 1 January	15,475	23,068
Dividend paid	(15,475)	(23,068)
Result for the year	31,861	15,475
As at 31 December	31,861	15,475

Proposed appropriation of result

The Executive Board proposes distributing a dividend of EUR 31,861 from the profit for the year. The proposed dividend has not yet been included in the 2015 financial statements.

4.7 Amounts payable to group companies

EUR (x 1.000)	2015	2014
Distribution expenses owed to group companies		
Delta Lloyd Levensverzekering N.V.	21,163	11,693
Delta Lloyd Schadeverzekering N.V.	76	69
Delta Lloyd Bank België	-	379
Delta Lloyd Life N.V.	93	171
	<u>21,332</u>	<u>12,312</u>
Other amounts payable to group companies		
DLAM Holding B.V.	16,950	7,893
Cyrte Investments B.V.	297	408
Delta Lloyd Asset Management Vertriebs GmbH	126	8
Delta Lloyd Services	22	-
	<u>17,395</u>	<u>8,309</u>
As at 31 December	<u>38,727</u>	<u>20,621</u>

4.8 Other liabilities

EUR (x 1.000)	2015	2014
Amounts owed to third-party distributors	516	80
Other short-term liabilities	1,045	1,837
As at 31 December	<u>1,561</u>	<u>1,917</u>

4.9 Off-balance sheet items

As at 31 December 2015, Delta Asset Management N.V. holds one preferred share in Delta Lloyd Azië Deelnemingen Fonds N.V. (nominal value EUR 2.50). If Delta Lloyd Azië Deelnemingen Fonds N.V. achieves a positive absolute return on investment and also achieves an outperformance against the reference index (MSCI AC Asia Pacific Small Value index), a special dividend is paid to the preferred shareholders. The special dividend payment is 20% of the outperformance against the reference index. If the index realized a negative return but Delta Lloyd Azië Deelnemingen Fonds N.V. has achieved a positive return, the special dividend will be limited to 20% of the positive absolute return. No dividend was received during 2015.

In addition to the above, Delta Asset Management N.V. also holds nine priority shares (EUR 9.10 par value each) in Delta Lloyd Deelnemingen Fonds N.V., which provides Delta Lloyd Asset Management N.V. influence in relation to the appointment, suspension and dismissal of members of the Executive Board and the Supervisory Board of the Fund.

5 Notes to the income statements

5.1 Net revenue

EUR (x 1.000)	2015	2014
Fees income from group companies	3,480	2,505
Management fees	92,096	98,080
Performance fees	24,243	194
Fees income from related parties	116,338	98,274
Fees income from external parties	2,864	133
Total	122,683	100,912

The fees from external parties comprises of the management fees received adjusted for the kickback provision.

5.2 Distribution expenses

EUR (x 1.000)	2015	2014
Distribution expenses attributable to group parties	43,246	48,268
Distribution expenses attributable to third-party distributors	1,628	1,534
Total	44,874	49,802

5.3 Other operating expenses

EUR (x 1.000)	2015	2014
Outsourced services from group companies	31,197	27,665
Management expenses	101	145
Other	1,043	-
Totaal	32,341	27,810

Other expenses includes among others the fine imposed by the Netherlands Authority for the Financial Markets (AFM) of € 0.8 million on Delta Lloyd Asset Management N.V. The fine is imposed for lack of sound business practices at Delta Lloyd Asset Management N.V. in the period between 1 April 2012 and 26 November 2014.

The auditor's fees are worn by Delta Lloyd N.V. and as such are shown in the financial statements of Delta Lloyd N.V. Ernst & Young Accountants LLP is appointed as the auditor of the Company.

5.4 Income taxes

The statutory tax rate is 25% (2014: 25%).

EUR (x 1.000)	2015	2014
Net result before tax	42,898	20,799
Tax rate	25.0%	25.0%
Charge for the year based on the base tax rate	10,725	5,199
Permanent differences	125	125
Temporary differences	187	-
Current tax	11,037	5,324

A permanent and a temporary difference are included in the calculation of the tax charge for the year. A permanent difference is due to the fact that the amortization calculated on the goodwill is a non tax deductible item. As such a permanent difference is recognized. A temporary difference is included due to the fine imposed by AFM of € 0.8 million. The current tax payable is transferred within the fiscal unity.

6 Other

6.1 Employees

The Company did not have employees employed in 2015 (2014: 0). In its business activities the Company uses staff and facilities of the Delta Lloyd group. The fee of EUR 31.2 million charged for these services (2014: EUR 27.6 million) is included in other operating expenses.

6.2 Remuneration of the Executive Board

The members of the Executive Board of the Company received no remuneration from Delta Lloyd Asset Management N.V. in 2016 and 2015.

Amsterdam, 3 mei 2016

Executive Board,

T.J. Maters
R. van Mazijk

Other information

Provisions in the Articles of Association with regard to the appropriation of profit

Under Article 15.1 of the Articles of Association, the result achieved for the year is at the disposal of the General Meeting of Shareholders. The company may make distributions from the profit only when its shareholders' equity is greater than the paid-up and called capital plus the reserves required to be held by law.

The General Meeting of Shareholders may resolve to distribute an interim dividend, subject to compliance with the above.

Auditor's report

The auditor's report is included on the next page.

Independent auditor's report

To: the general meeting of shareholders of Delta Lloyd Asset Management N.V.

Report on the financial statements

We have audited the accompanying financial statements 2015 of Delta Lloyd Asset Management N.V., Amsterdam, which comprise the balance sheet as at 31 December 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Delta Lloyd Asset Management N.V. as at 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 3 May 2016

Ernst & Young Accountants LLP

signed by J.C.J. Preijde