Financial Statements

2014

Fiancial Statements

Contents

Key figures

	2014 x € 1,000		2013 x € 1,000		2012 x € 1,000		2011 x € 1,000	
Net turnover	205,279	(99%)	203,361	(99%)	192,857	(98%)	178,979	(100%)
Other income	2,080	(1%)	1,160	(1%)	4,334	(2%)	-452	(0%)
Total operating income	**207,359**	(100%)	**204,521**	(100%)	**197,191**	(100%)	**178,527**	(100%)
Employee costs	114,814	(56%)	111,008	(56%)	103,445	(55%)	91,708	(54%)
Third-party activities	40,591	(20%)	38,523	(19%)	38,538	(20%)	33,861	(20%)
	155,405	(76%)	**149,531**	(75%)	**141,983**	(75%)	**125,569**	(74%)
Depreciation and other impairments	8,708	(4%)	9,017	(5%)	12,252	(6%)	10,291	(6%)
Other operating expenses	40,385	(20%)	40,903	(20%)	36,277	(19%)	35,177	(20%)
	49,093	(24%)	**49,920**	(25%)	**48,529**	(25%)	**45,468**	(26%)
Total operating expenses	**204,498**	(100%)	**199,451**	(100%)	**190,512**	(100%)	**171,037**	(100%)
Results								
Result from ordinary activities before taxation	2,340		4,667		6,232		7,277	
Result after taxation	3,733		5,857		6,359		7,687	
Group equity (before appropriation of result)	28,860		30,753		26,102		21,505	
Balance sheet total	157,041		172,613		118,157		139,213	
Staff*								
Number of staff as at 31 December	1,218		1,175		1,095		1,025	
Number of staff as at 31 December (in FTEs and exclusive of staff receiving incapacity benefit)	1,228		1,183		1,098		1,022	
Client related**								
Invoiced premium income x € 1 mln	3,533		3,445		3,438		3,181	
Assets invested at end of year x € 1 mln	110,914		92,226		90,194		76,861	
Number of payments x 1,000	4,843		4,710		4,516		4,303	

* The definition of 1 FTE has been changed, so that an employee with a 36-hour contract counts as 1 FTE. For the purpose of comparison, the figures of all previous years have been adjusted to the new definition.

** The client-related key figures refer to the premiums invoiced for clients or the number of payments relating to pensions and insurance. Furthermore, the assets invested for clients relating to asset management are stated.

Consolidated balance sheet as at 31 December 2014

before appropriation of result

Assets	31 December 2014 x € 1,000	31 December 2013 x € 1,000
Fixed assets		
Intangible fixed assets 1)		
Software	15,292	5,256
Tangible fixed assets 2)		
Equipment	10,297	12,032
Other fixed assets	4,611	5,071
	14,908	17,103
Financial fixed assets		
Other associates 3)	4,720	4,518
Other receivables 4)	684	-
Total fixed assets	**35,604**	**26,877**
Current assets		
Receivables		
Receivables from clients 5)	13,394	15,194
Tax and other social securities receivable 6)	3,608	1,607
Other receivables and prepayments 7)	8,617	4,509
	25,619	21,310
Cash balances	53,784	87,164
Cash from third parties	42,034	37,262
Cash and cash equivalents 8)	95,818	124,426
Total current assets	**121,437**	**145,736**
Total	**157,041**	**172,613**

Numbers stated in the items refer to the notes to the balance sheet

Equity and liabilities

	31 December 2014 x € 1,000	31 December 2013 x € 1,000
Group equity	28,860	30,753
Provisions		
Other provisions 9)	4,104	3,184
	4,104	3,184
Long-term liabilities		
Subordinated loans from participants 10)	9,000	9,000
Liabilities to credit institutions	-	77
Other liabilities	10,207	9,745
	19,207	18,822
Current liabilities 11)		
Payables to credit institutions	-	86
Payable to banks	15,937	54,278
Trade payables	4,926	2,333
Tax and other social securities payable	3,124	4,045
Pension liabilities	362	70
Other payables and accrued expenses 12)	38,487	21,780
Cash from third parties to be paid	42,034	37,262
	104,870	119,854
Total	157,041	172,613

Consolidated profit and loss account

2014

	2014 x € 1,000	2013 x € 1,000
Net turnover 13)	205,279	203,361
Other operating income 14)	2,080	1,160
Total operating income	207,359	204,521
Employee costs 15)	114,814	111,008
Cost of subcontracted work 16)	40,591	38,523
Depreciation	8,708	9,017
Other operating expenses 17)	40,385	40,903
Total operating expenses	204,498	199,451
Operating result	**2,861**	**5,070**
Interest income and similar income	126	142
Interest expenses and similar charges	-647	-545
Financial income and expense	-521	-403
Result from ordinary business activities before taxation	**2,340**	**4,667**
Share in the result of non-consolidated associates 18)	1,393	1,190
Result before taxation	**3,733**	**5,857**
Tax on result of ordinary business activities 19)	-976	-1,206
Result after taxation	**2,757**	**4,651**

Numbers stated in the items refer to the notes to the profit and loss account.

Consolidated cash flow statement

2014

	2014 x € 1,000	2013 x € 1,000
Cash flow from operating activities		
Operating result	2,861	5,070
Adjustments for		
Depreciation 1), 2)	8,708	9,017
Disposals of intangible fixed assets 1)	159	-
Disposals of tangible fixed assets 2)	568	237
Changes in provisions 11)	920	1,638
	10,355	10,892
Changes in working capital		
Receivables from clients	5,670	-2,730
Other receivables and prepayments 7)	-9,529	650
Other payables and accrued expenses 12)	19,852	-364
Payables to credit institutions	-86	-39
	15,907	-2,483
Cash flow from business activities	**29,123**	**13,479**
Interest received	126	198
Interest paid	-647	-417
Income tax paid	-2,703	-3,619
Dividends received	1,191	98
	-2,033	-3,740
Cash flow from operating activities	**27,090**	**9,739**
Cash flow from investment activities		
Investments in intangible fixed assets 1)	-13,435	-1,468
Investments in tangible fixed assets 2)	-3,866	-4,054
Cash flow from investment activities	**-17,301**	**-5,522**

Numbers stated in the items refer to the notes to the balance sheet.

	2014 x € 1,000	2013 x € 1,000
Cash flow from financing activities		
Redemption from long-term liabilities	-77	77
Proceeds from issuance of loan 5)	-100	-
Dividends paid	-4,651	-
Cash flow from financing activities	-4,828	77
Movements in cash	**-4,961**	**4,294**
Cash balance as at 1 January	**32,886**	**28,592**
Cash balances 10)	53,784	87,164
Payable to banks 13)	-15,937	-54,278
Cash balance as at 31 December	**37,847**	**32,886**
Movements during the financial year	4,961	4,294

Consolidated accounting principles

Operating activities

The activities of Mn Services N.V., acting under the name MN, having its registered office and business in The Hague, located at Prinses Beatrixlaan 15, The Hague, consist mainly of asset management and pension scheme administration.

Policies for consolidation

The consolidated financial statements of MN include the financial data of companies belonging to the group and other legal entities over which control can predominantly be exercised or which are subject to central management.
The consolidated financial statements have been drawn up subject to the accounting principles for valuation and profit determination of MN.

The consolidated financial statements of MN include the financial data of:
- Mn Services Vermogensbeheer B.V., having it's registered office and its actual place of business in The Hague (100%).
- Mn Services Fondsenbeheer B.V., having it's registered office and its actual place of business in The Hague (100%).

The financial data of the consolidated companies and other legal entities and companies included in the consolidation have been included in full, subject to the elimination of intercompany relationships and transactions. Third-party interests in equity and result and profit of consolidated companies have been disclosed separately in the consolidated financial statements.

Other associates

MN has an interest in the following associates that are not included in the consolidation:

- Combinatie Bovemij Mn Services B.V., having its registered office in Rijswijk (50%)
- UNETO-VNI Verzekerings Service B.V., having its registered office in Zoetermeer (49.44%)
- Stichting Juridisch eigendom Mn Services Levensloop Fonds, having its registered office in The Hague

No predominant control or central management may be imposed on these legal entities.

General policies for preparing the consolidated financial statements

The consolidated financial statements are prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. Unless stated otherwise, these financial statements are presented in thousands of euros.

Valuation of assets and liabilities and determination of the result takes place under the acquisition cost or production cost conventions. Unless presented otherwise the assets and liabilities are valued according to the fair value, usually the nominal value.

In the balance sheet and in the profit and loss account and the cash flow statement, references are included. These are references to the notes.

Comparison with previous year

The valuation principles and the method for determining the result are unchanged compared to the previous year.

The comparative figure for 'Cash from third parties' has been reduced by € 1.4 million. On the liability side, the item 'Cash from third parties to be paid' has been reduced by the same amount. The adjustment concerns a group of bank accounts, of which the beneficial ownership was unclear, in previous years. The reclassification has no consequences for the equity and/or the result of previous years.

Estimates

In applying the principles and policies for preparing the financial statements, the Executive Board of MN make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Financial Instruments

Financial instruments include both primary financial instruments, such as receivables and payables, and financial derivatives. The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet, the information on the fair value is disclosed in the notes to the 'Contingent rights and obligations'. For the principles of primary financial instruments, reference is made to the notes to the relevant financial statement item.

Functional currency

The consolidated financial statements have been prepared in euros; this is both the functional and presentation currency of MN.

Foreign currency

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing as at transaction date. The exchange differences resulting from the translation as of balance sheet date, are recorded in the profit and loss account. Non-monetary assets valued at acquisition cost and denominated in foreign currency are translated at the exchange rates at the time that the current value is determined.

Related parties

Related parties are considered to be all legal entities over which dominant control or significant influence can be exercised. Legal entities that can exercise predominant control are also designated as related parties. Management Board members, other key company officers in the MN management and close affiliates are also related parties.

There are no significant transactions with related parties that were not entered into under normal market conditions.

Accounting principles for the valuation of assets and liabilities

Intangible fixed assets

The intangible fixed assets are valued at historical cost consisting of the acquisition price or manufacturing price and other costs, less straight-line depreciation based on the expected economic life, and if applicable, impairments (see 'impairments' paragraph). The depreciations are calculated on a straight-line basis as a percentage of the purchase cost, based on the the expected useful life. Depreciation starts from the date an asset comes into use.

Research costs are recognised in the income statement. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e. if it is likely that economic benefits will be realised) and the cost can be determined reliably.

A legal reserve is created in relation to the book value of in-house developed intangible fixed assets.

Tangible fixed assets

The tangible fixed asstes are presented at historical cost consisting of the acquisition price or manufacturing price and other costs, less straight-line depreciation based on the expected economic life, and if applicable, impairments. MN assesses on every accounting date whether there are indications that a fixed asset may be subject to an impairment. If such indications exist, the recoverable amount of the asset is determined (see 'impairments' paragraph).

The depreciations are calculated on a straight-line basis as a percentage of the purchase cost, based on the expected useful life. Depreciation is provided from the date an asset comes into use.

The tangible fixed assets of which the company and its group companies have the economic ownership pursuant to a financial lease, will be valued at fair value or the lower present value of the minimum lease instalments following deduction of straight-line depreciations during the expected future period of use and impairments.

The depreciations on leased tangible fixed assets are also calculated on a straight-line basis as a percentage of the capitalised amount. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Impairments
MN assesses on every balance sheet date whether there are indications that a fixed asset may be subject to an impairment. If such indications are present, the realisable value of the asset is determined. An impairment exists if the book value of an asset is higher that the realisable value; the realisable value is the highest of the realisable value and the value in use.

Financial fixed assets
The other associates in which significant influence is exercised on the business and financial policy, are presented at net asset value. A significant influence is assumed if 20% or more of the voting rights can be exercised.

The net asset value is calculated by valuing the assets, provisions and liabilities and calculating the result on the basis of the principles as apply to these financial statements. A statutory reserve is created for retained profits of participating interests valued at net asset value, which are not freely disposable by the company. Participating interests with a negative net asset value are valued at nil.

Participating interests on which no significant influence can be exercised on the business and financial policy, are valued at acquisition price and, if applicable, after deduction of impairments.

Current assets
Deferred tax assets are stated under the current assets if and to the extent it is probable that the tax claim can be realized in due course. These deferred tax assets are valued at nominal value.

Receivables and prepayments
Receivables are stated initially at fair value and subsequently at amortised cost. Provisions for uncollectable amounts are deducted from the book value of the receivable. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents
The cash and cash equivalents are valued at nominal value and are freely disposable by the company, in so far as not stated otherwise.
The cash and cash equivalents include cash from third parties, for which a similar amount is included under liabilities.

If the bank balance is negative, this is entered under current liabilities.

Provisions

Provisions are made for specific risks and liabilities that exist on the balance sheet date, the size of which is uncertain, but for which a reasonable estimate can nevertheless be made. They are legally enforceable or concern an constructive obligation, the size of which can be estimated in a reasonably reliable manner, and with the outflow of cash and equivalents being required.

Provisions for deferred tax liabilities

The provisions for deferred tax liabilities refer to the deferred liabilities that result from temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the book values applied in these financial statements on the other hand. Valuation takes place at nominal value.

Provision for the premature termination of a contract

A provision has been recognized for obligations resulting from the premature termination of a contract relating to data transport. This provision is valued at present value based on the remaining instalments discounted to present value at the market rate of the Dutch corporate bond 4.375% (2013: 4.375%). The credit rating is AA-.

Provision for claims

The provisions include an item relating to a number of claims resulting from a dispute with third parties. Valuation takes place at nominal value.

Current and long-term liabilities

Long-term liabilities have an expected duration of more than one year. Current liabilities have an expected duration of no more than one year. Liabilities are stated initially at fair value. Transaction costs that are directly attributable to the acquisition of the liabilities are included in the valuation during the initial accounting. After the initial accounting, liabilities are valued at amortised cost, being the amount received, taking into account the premium or discount less transaction costs.

The difference between the specified book value and the final repayment value of the long-term liabilities is recognized for as interest expense on the basis of the effective interest rate during the estimated term of the liabilities in the profit and loss account.

Group equity

The shareholders' equity is explained in more detail in the notes to the company financial statements.

Accounting principles for determining the result

General

The result is determined as the difference between the net turnover and all related costs that can be attributed to the reporting year. The costs are determined with due observance of the valuation principles referred to above.

Revenues are accounted for in the year in which the turnover was achieved. Losses are accounted for in the year in which they are anticipated. The remaining income and expenditure are attributed to the reporting period to which these relate.

Net turnover

Net turnover represents amounts invoiced for services supplied during the financial year reported on, net of discounts and value added taxes. These services are accounted for in proportion to the performance.

The turnover was mainly achieved in the Netherlands. A small part of the turnover was achieved in the UK.

Other income

Other income includes income that is accounted for in connection with occasional operating activities.

Cost of subcontracted work

Costs of subcontracted work relate to all costs relating to subcontracting by third parties that are chargeable to the year.

Depreciation

The depreciation is related to the purchase costs of the intangible and tangible fixed assets in question.

Wages and salaries

MN has made pension promises to its staff, which have been placed with Pensioenfonds MN. This involved a CDC (Collective Defined Contribution) scheme. On the basis of the content of the financing agreement concluded with the company pension fund and the content of the pension scheme rules, MN will not be obliged to pay additional amounts in the event of a shortfall at the pension fund. Nor will it be entitled to a contribution discount in the event of a surplus.

The pension liabilities are the liabilities resulting from the administration agreement between MN and the pension administrator.

Liabilities with respect to contributions to the pension scheme are recognised as charges in the Profit and loss account in the period to which they relate. In so far as the premiums have not been paid as of the balance sheet date, an accrual has been recognised for this purpose.

Financial income and expense
The interest income and expense to be attributed to the reporting year on a time proportional basis are included as financial income and expense.

Taxation
Income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely. These differences occur as a result of deviations from depreciation periods permitted under the tax rules and as a result of the difference between the commercial and tax-related allocation of the costs in connection with a return guarantee issued by several life-course funds.

Share in result of non-consolidated associated companies
The share in result of non-consolidated associated companies participating interests refers to the share of the company in the result of the participating interests valued at net asset value.

Risk management

General
MN's risk management is based on the COSO Enterprise Risk Management (COSO) international standard. The application of COSO ensures that risks throughout MN are managed unambiguously and as efficiently as possible.

The quality of the internal management environment is also guaranteed by the application of the three lines of defence model. In this model, line management (1st line), control and compliance (2nd line) and internal audit (3rd line), each have their own responsibility.

Financial Risks
Credit risk
The credit risk is defined as the risk that counterparties cannot fulfil their contractual obligations. This risk is considered limited, given the quality of the debtors (the debtors are mainly pension funds and insurers with a low default or bankruptcy risk) and the adjustment of the advances that MN charges to its clients if there is reason to do so. The cash and equivalents are held by banks with at least an AA- rating. The credit risk/counterparty risk is considered to be negligible. The Moody's ratings of the banks are as follows:

Bank	Rating
ING	A2
RABO	Aa2
HSBC	Aa3

As of the balance sheet date, 89% of the cash and equivalents are held at ING, 5% at the Rabo and 6% at HSBC.

Furthermore, MN has credit facilities for a total amount of € 21 million. The facilities are provided by participants PMT and PME.

Liquidity risk
Liquidity risk is the risk that the volume and the timing of the cash flows are not properly matched within approximately one year, in which context a shortage of cash and equivalents cannot easily be compensated. The current level of liquidities is above the buffer established by MN. MN has a forecast model to monitor the outflow. MN also has a credit facility provided by its participants. MN has not had to use this facility up until now.

Interest rate risk
With regard to the fixed-interest long-term loan of its participants, MN runs a risk on the fair value as a result of changes to the current market rate. This risk is not hedged.
The interest rate risk on the outstanding deposits is not hedged, given the short-term character of the deposit and the level of the amount in relation to MN's balance sheet total and turnover.

Currency risk
MN operates mainly in the Netherlands. The only currency risk relates to the positions in British pounds resulting from the transactions of the UK branch. This risk is considered minimal and is therefore not hedged in view of the slight volume in British pounds, as well as the fact that spending also takes place in the same currency.

Market risk
The market risk for MN is not material because MN performs investment transactions only at the expense and risk of professional investors.

Concentration risk
The risk that MN runs of losing a large part of its turnover, given the relatively large turnover at a limited number of clients, is designated as an inherent concentration risk. The three largest clients account for 80% of MN's turnover. The risk is considered limited, given that MN has a strategic partnership with these clients and that these partners are also shareholders of MN.

Reputational risk
Reputational risk is the risk that MN is portrayed negatively in the news as a result of, for instance, complaints, disputes, negative reporting in the press, incidents and compliance issues. Important sources for reputational risk include MN's internal operations and actions for the benefit of clients and other business parties. Furthermore, public opinion about pensions and pension administrators may be influenced by politicians, the press and legislation.

In order to limit reputational damage arising from operational errors as far as possible, MN performs its administrative activities in accordance with the ISAE 3402 standard.
As an administrator, MN runs a risk specifically with regard to asset management activities outsourced to MN by clients, if the investment strategy of its clients is not in line with social opinion or if well-considered investment strategies nevertheless turn out to be unsuccessful. As an asset manager, MN bases its policy on the United Nations Principles for Responsible Investment (UNPRI).

MN also has a Know Your Relations (KYR) policy to guarantee the integrity of its business operations as far as possible. MN also has a code of conduct and internal rules apply to its staff (see the Code of Conduct section).

Cash flow statement principles

The cash flow statement has been prepared according to the indirect method. In the format, the cash flow – which consists of the result after tax increased by the depreciation charges – is presented separately. The cash and equivalents in the cash flow statement consist of cash, bank account credits and deposits.

Dividends paid are included in the cash flow from financing activities. Income and expenditure on account of interest, dividends received and corporate tax are included in the cash flows from operational activities.

Transactions not involving an exchange of funds, including financial leasing, are not included in the cash flow statement.

Notes to the consolidated balance sheet

as at 31 December 2014

Assets

Fixed assets

1 Intangible fixed assets
Movements in intangible fixed assets are indicated as follows:

				2014 x € 1,000	2013 x € 1,000
	Software-packages	In-house developed software	Software under development	Total	Total
Balance as at 1 January					
Acquisition cost	26,284	13,861	555	40,700	40,986
Accumulated depreciation	-22,634	-12,810	0	-35,444	-33,995
Balance as at 1 January	**3,650**	**1,051**	**555**	**5,256**	**6,991**
Movements					
Investments	6,085	2,627	4,723	13,435	1,468
Depreciation	-2,945	-294	0	-3,239	-3,202
Cost of disposals	-384	0	0	-384	-1,754
Accumulated depreciation of disposals	224	0	0	224	1,754
Balance sheet movements	**2,980**	**2,333**	**4,723**	**10,036**	**-1,734**
Balance as at 31 December					
Acquisition cost	31,985	16,488	5,278	53,751	40,700
Accumulated depreciation	-25,355	-13,104	0	-38,459	-35,444
Balanceas at 31 December	**6,630**	**3,384**	**5,278**	**15,292**	**5,256**

With a view to developments in the pension sector, such as the flexibilisation of pension schemes in the context of the new Financial Assessment Framework (FTK), MN is continually investing in customised software.

Depreciation percentages:

in-house developed software	25%
other software	33 1/3%

Depreciation method: straight line

There is an impairment of 159 (x € 1,000) on software packages as a result of the introduction of replacement software.

2 Tangible fixed assets

Movements in tangible fixed assets are indicated as follows:

			2014	2013
			x € 1,000	x € 1,000
	Equipment	Other fixed assets	Total	Total
Balance as at 1 January				
Acquisition cost	17,401	21,046	38,447	38,681
Accumulated depreciation	-5,369	-15,975	-21,344	-19,821
Balance as at 1 January	**12,032**	**5,071**	**17,103**	**18,860**
Movements				
Investments	859	2,983	3,842	4,295
Depreciation	-2,594	-2,875	-5,469	-5,815
Disposals				
- Cost	-	-1,343	-1,343	-4,529
- Accumulated depreciation	-	775	775	4,292
Balance sheet movements	**-1,735**	**-460**	**-2,195**	**-1,757**
Balance as at 31 December				
Acquisition cost	18,260	22,686	40,946	38,447
Accumulated depreciation	-7,963	-18,075	-26,038	-21,344
Balance as at 31 December	**10,297**	**4,611**	**14,908**	**17,103**

Depreciation percentages:			Depreciation
Equipment	**Investments**	**Depreciations**	**percentages**
Equipment	195	831	20%
Building furnishing	664	1,375	20%
Construction "Zilveren Toren"	0	388	6 2/3%
	859	**2,594**	
Other fixed assets:			
Network	439	1,402	20%
Hardware	866	296	33 1/3%
Cars	1,678	1,177	25%
	2,983	**2,875**	
Total	**3,842**	**5,469**	

Depreciation method: straight line
The depreciation method for the construction is related to the duration of the rental agreement.

Payments relating to the capitalisation of the 'Zilveren Toren' renovation were deducted from the capitalised costs.

Financial fixed assets

3 Other associates

Other associates are:

- Combinatie Bovemij Mn Services B.V., having its registered office in Rijswijk 50%
- UNETO-VNI Verzekerings Service B.V., having its registered office in Zoetermeer 49.44%
- Stichting Juridisch eigendom Mn Services Levensloop in The Hague

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	**4,518**	**3,588**
Movements		
Share in result	1,393	1,028
Dividend received from participating interests	-1,191	-98
Total movements	**202**	**930**
Balance as at 31 December	**4,720**	**4,518**

These can be specified as follows:

	31-12-2014 x € 1,000	31-12-2013 x € 1,000
Combinatie Bovemij Mn Services B.V.	4,036	3,824
UNETO-VNI Verzekeringsservice B.V.	571	581
St. Juridisch eigendom Mn Services Levensloop Fonds	113	113
	4,720	4,518

4 Other receivables

	2014 x € 1,000
Balance as at 1 January 2014	**-**
Movements	
Provided loan	100
Increase in investment result receivables	778
Impairments and value adjustments	-194
Balance sheet movements	**684**
Balance as at 31 December 2014	**684**

These can be specified as follows:

	31-12-2014 x € 1,000
Receivables in accordance with the joint venture CBM	584
Loans	100
	684

The receivables in accordance with the joint venture CBM relate to investment results pursuant to the asset management agreement between Bovemij and MN. Each year, MN accounts for 50% of the net investment result (unrealised and realised). The payment of Bovemij to MN is finally determined at the end of a five-year period, calculated on the cumulative balance of the investment result for that period.
There is a risk that the cumulative result during the five-year period, the first of which ends in 2018, will decrease or be negative. Because of this risk, a provision has been made amounting to 25% of the cumulative investment result (194 (x € 1,000)). This percentage has been calculated as the ratio between the value at risk on this portfolio and the nominal value of the investments.

The other receivables include a loan to the Dutch National Investment Institute (NLII) amounting to 100 (x € 1,000), at an interest rate of 6.5%. The loan will mature on 30 September 2019 or on a date to be agreed in writing at some time in the future.

Current assets

5 Receivables from clients

The receivables consist of amounts charged or to be charged to customers for asset management, pension administration and other related activities. The receivables from clients, who are also shareholders, amount to 7,624 (x € 1,000).

	31-12-2014 x € 1,000	31-12-2013 x € 1,000
Receivable	14,044	15,194
Minus: provision	650	-
	13,394	15,194

6 Taxes and other social securities receivable

The taxes and social security contributions include a deferred asset totalling 248 (x € 1,000) that has resulted from two differences in tax-related and commercial valuation. Firstly, this concerns a deferred asset resulting from differences between the commercial and tax-related valuation of fixed assets. This is caused by a difference in depreciation periods. Secondly, a deferred asset has been included that concerns the difference in valuation of the funds relating to a return guarantee issued by several life-course funds. This is caused by a difference in the allocation of costs relating to a return guarantee issued by several life-course funds.

MN values deferred tax assets and liabilities at nominal value. MN offsets deferred tax assets and liabilities only if MN is legally entitled to settle non-deferred tax assets and liabilities relating to taxes imposed by the same (government) body.

The taxes and social security contributions also include a receivable relating to corporation tax of 1,537 (x € 1,000). In 2013, this was a liability of 694 (x €1,000).

7 Other receivables and prepayments

In the other receivables and prepayments item, the amounts paid in advance and other receivables are accounted for. These include advance payments relating to intangible fixed assets (software) amounting to 1,272 (x €1,000). All receivables have a period of less than one year. The fair value is approximately the book value.

8 Cash and cash equivalents

Cash balances amounting to 9.8 million euros are not at free disposal of the group. This amount should be held in accordance with the Financial Supervision Act in connection with the capital requirements in Mn Services Vermogensbeheer B.V. and Mn Services Fondsenbeheer B.V.

The client funds included under cash and equivalents relate to the combined premiums (which have existed since 1996) for the benefit of clients. The appropriate funds were received at the end of 2014 and paid to clients at the beginning of 2015.
The interest paid or received is settled with the clients. The balances are not at the free disposal of the group.
On the liability side of the balance sheet, these funds are included under client funds to be paid.

Because of the lack of a legally enforceable right of set-off to settle the assets and the borrowed capital item simultaneously and on a net basis, the positive and negative balances cannot be presented on a net basis.

Liabilities

Group equity

Reference is made to the note on shareholders' equity in the company financial statements for a detailed note on the group equity.

Total result

The total result of the group is equal to the consolidated net income after tax.

Provisions

9 Other provisions

The provisions balance relates to a provision for data transport, provisions for claims resulting from disputes with third parties and a provision relating to a return guarantee issued by several life-course funds.
A provision was created for the contractual obligations in accordance with a contract relating to data transport, also in connection with the premature termination of the contract. The provision relating to data transport for an amount of 574 (x €1,000) which has a duration of five year, of which 305 (x €1,000) has a duration of more than one year.

The allocation of € 2,550 (x € 1,000) relates to a provision regarding claims resulting from a dispute with third parties. The calculation is based on a mangement estimate in consultation with the legal department.

The provision relating to the return guarantee issued to members in several life-course funds amounting to 979 (x € 1,000) concerns the expected costs for the next three years.
The expectation regarding the period during which costs will be incurred was adjusted in 2014 from one year to three years.

Movements in other provisions are as follows:

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	3,184	1,074
Release	-250	-
Allocation at the expense of the result	1,879	2,372
Withdrawal	-709	-262
Balance as at 31 December	**4,104**	**3,184**

The comparative figures in the other provisions movements overview have been adjusted as a result of a change in the classification of the provision relating to the 2013 return guarantee (it was previously classified under current liabilities).

The calculation of the provision is based on the net present value of the expected returns on investments and the present value of the expected payments to members of the life-course scheme. The discount rate used is derived from the market interest rate on a high-quality corporate bond.

Long-term liabilities

10 Subordinated loans from participants

These relate to two subordinated loans from the participants PMT and PME for a total amount of 9 million euros. These are in fact asset components that are equal to shareholders' equity from a credit assessment viewpoint, in the sense that they present a buffer to the recovery possibilities of other creditors.

The interest rate is based on the 10-year Euribor SWAP rate increased by a mark-up of 150 basis points per year (3,9400%) and are subordinated with respect to other debt liabilities. The duration of the loans is 10 years up to and including 1 December 2020. The fair value of the loans amounts to 8,900 (x €1,000) (2013: 8,800) and is derived from the net present value calculation of future cash flows at a current market rate.

Long-term liabilities also include an advance discount on the rental for the office premises in The Hague. This discount has been granted in the form of a rent-free period of three years, but has been accounted for in the administration as a discount over the entire period of the lease of approximately 15 years. The part of the discount that relates to the next twelve months has been accounted for under current liabilities. In the past, the entire discount was accounted for under current liabilities. The comparative figures have been adjusted accordingly.

11 Current liabilities

The payables to credit institutions relate to the lease amounts to be repaid for the next year. During the financial year 2014 these amounts were repaid. The funds to be paid to clients relate to the cash and equivalents for the benefit of clients, which are not at free disposal of the group.

The current liabilities to banks concern current account balances. Because of the lack of a legally enforceable right of set-off to settle the assets and the borrowed capital item simultaneously and on a net basis, the positive and negative balances cannot be presented on a net basis.

12 Other payables and accrued expenses

	31-12-2014	31-12-2013
	x € 1,000	x € 1,000
Holiday allowance to be paid	3,352	3,040
Auditor's fees to be paid	1,083	1,240
Rental discount to be allocated	978	978
Holiday allowance reserve	3,767	3,558
Employee benefits reserve	1,629	2,822
Payables to clients	6,395	3,549
Other payables	11,222	6,593
Avanced payments 2015 from clients	10,061	-
	38,487	21,780

Contingent assets and liabilities

Office rental agreement

MN has signed a rental agreement for alternative office premises in The Hague (with effect from 1 January 2011). The agreement has been entered into for a 15-year period, the first 36 months of which are rent-free. On 1 October 2012, a rider to the existing rental agreement was drawn up. As of this date, the first four floors and the seventeenth floor were rented. In this rider, the rental period was adjusted to sixteen years, until 30 September 2028. The rent amounts to 5.2 million euros on an annual basis.

A rental amount of € 5.2 million will become payable after one year. After five years, a total liability of € 26 million will become payable. The bank guarantee issued for the rental of the new premises amounts to 1.1 million euros.

Investment liabilities

At year-end, MN entered into investment liabilities totalling 2,555 (x € 1,000) relating to software licenses. Of this total, 380 (x €1,000) will become payable within one year, 1,665 (x €1,000) will become payable between one to five years and 510 (x € 1,000) will become payable after five years.

Rental agreements

MN has other rental agreements amounting to 0.9 million euros. The rental agreement for the office in Amsterdam has been extended for three years until 1 July 2015. A rental amount of 996 (x € 1,000) will become payable after one year. The bank guarantee issued for this rental amounts to € 0.2 million.

Credit facilities

Since 1 January 2010, MN has had new credit facilities available totalling 21 million euros. The facilities are provided by depositary receipt holders PMT and PME. The facilities have a term of ten years up to and including 31 December 2020. As of 31 December 2014, these facilities have not been used. Mn Services N.V. owes a commitment fee on the unused part of the credit facilities amounting to 50 basis points. No security has been issued for the purpose of these credit facilities.

Collaboration with Bovemij

On 17 April 2003, Mn Services NV concluded a collaboration and joint venture agreement with N.V. Schadeverzekering-Maatschappij Bovemij. On 2 June 2014, the parties agreed to extend this collaboration agreement in a new revised collaboration and joint venture agreement. Pursuant to the joint agreement, Mn Services N.V. and N.V. Schadeverzekering-Maatschappij Bovemij both have a 50% participation in Combinatie Bovemij Mn Services B.V.

Furthermore, in accordance with the collaboration agreement, both parties are entitled to 50% of the insurance result achieved as part of this collaboration.

Other liabilities

On 30 June 2011, Mn Services N.V. concluded a contract for the rental of a cyber centre in Almere. The contract has a term of 60 months, and € 12,492 is owed every month. There is a 6-month notice period. Mn Services N.V. has also concluded a contract relating to data transport with effect from 25 June 2011 for a period of 120 months. The monthly instalment is €19,270 and there is a notice period of 3 months.

Notes to the consolidated profit and loss account

2014

13 Net turnover	2014	2013
	x € 1,000	x € 1,000
The net turnover consists of:		
Pensions turnover	99,147	95,615
Insurance turnover	13,078	14,083
Asset Management turnover	93,054	93,579
Other turnover	-	84
	205,279	203,361

Part of the turnover is based on a management estimate. This estimate is based on contract data, the performance and historical figures, which have been aligned with the departments involved.

14 Other income	2014	2013
	x € 1,000	x € 1,000
Other income	2,080	1,160

The other income relates to quantity discounts obtained from third parties and technical results obtained on incapacity for work insurance in previous years.

15 Employee costs	2014	2013
	x € 1,000	x € 1,000
The employee costs are specified as follows:		
Wages and salaries	82,400	78,817
Social security charges	10,636	9,987
Pension costs	11,109	12,672
Other employee costs	10,669	9,532
	114,814	111,008

Number of staff	2014	2013
Number of staff	1,218	1,175
Number of FTE's	1,228	1,183
Of which number of staff working abroad	21	18

Directors' remuneration	2014	2013
	x € 1,000	x € 1,000
Executive Board		
Management Board	1,489	1,035
Remuneration crisis levy	0	75
	1,489	1,110
Supervisory Board	134	150
	1,623	1,260

The remuneration consists of salaries, fixed expense allowances and pension premium.

Since 2013, variable remuneration no longer applies. As compensation, part of this remuneration was converted into fixed pay, which was paid out in arrears over 2013 with retroactive force. The comparative figures include the accounting for the fixed remuneration over 2013 of 92 (x € 1,000).

Pensions

MN has made pension promises to its staff, which have been placed with Pensioenfonds MN. This involved a CDC (Collective Defined Contribution) scheme. On the basis of the content of the financing agreement concluded with the company pension fund and the content of the pension scheme rules, it can be concluded that MN will not be obliged to pay additional amounts in the event of a shortfall at the pension fund nor will it be entitled to a contribution discount in the event of a surplus.
According to a statement from this fund, the coverage ratio of the company pension fund was 103.9% at year-end 2014.
The employers' share of the pension contribution was increased on a one-off basis in 2013 from 17% to 20.6%. As a result, the pension contribution, including the employers' share rose to 28.6%. In 2014, the employers' share was reduced to 17% again, so that the total contribution is now 25% of the pensionable earnings.

The pension scheme in the UK is similar to the way in which MN has designed its pension scheme in the Netherlands. The accounting and valuation of the liabilities arising from the scheme in the UK are therefore carried out in accordance with the valuation of the Dutch pension schemes.

16 Cost of subcontracted work

Cost of subcontracted work relate to all the costs relating to the engagement of third parties, consultancy costs and cost asset managers chargeable to the year.

	2014	2013
Engagement of third parties	27,093	18,675
Consultancy	4,994	12,149
Asset managers	8,504	7,699
	40,591	38,523

17 Other operating expenses

The other operating expenses are specified as follows:

	2014 x € 1,000	2013 x € 1,000
Accommodation expenses	10,839	11,146
Information technology costs	12,773	12,484
Office expenses	7,697	7,398
Other operating expenses	7,838	9,061
Cost of fund management	1,238	814
	40,385	40,903

The costs of fund management consist mainly of costs relating to the operating result of Mn Services Levensloopfonds and costs relating to return guarantees.

18 Share in the result of non-consolidated associates

The share of the result in the Combinatie Bovemij Mn Services B.v. (CBM) participation is exclusive of a future entitlement to the result in CBM of 280 (x € 1,000). This entitlement will be paid out next year, subject to the condition that the result from the participation is sufficient.

Auditor's fee

In accordance with Section 2:382a of the Dutch Civil Code, the auditor's fees should be included in the financial statements. The costs charged to the result of the year can be divided into the following categories:

	2014 x € 1,000	2013 x € 1,000
Audit of the Mn Services N.V. financial statements	106	77
Other audit engagements	1,043	1,250
Fiscal advice	114	83
Other non-audit services	1,195	1,179
	2,458	2,589

The above fees relate to the work carried out at the company and the companies involved in the consolidation by audit organisations and external auditors as referred to in Section 1, subsection 1, of the Audit Firms Supervision Act [Wta] and the fees charged by the entire network to which the audit organisation belongs.

19 Taxes

The tax-related result from ordinary activities is not equal to the commercial result from ordinary activities before tax. This is the result of using depreciation periods other than what are allowed for tax purposes. There is also a difference in the allocation of costs relating to the issue of a return guarantee of several life-course funds.

Deferred tax assets and liabilities at subsidiaries are included on the balance sheet of the parent company and settled with the subsidiary or subsidiaries in question.

The tax charge in the profit and loss account amounts to 977 (x €1,000). This tax charge consists of an immediate tax charge and a deferred tax charge and corrections relating to previous years. These are specified in the following table.

	2014 x € 1,000	2013 x € 1,000
Immediate tax charge	-58	-1,196
Deferred tax charge	-503	-10
Total tax charge	-561	-1,206
Prior year adjustments	-415	-
Total tax charge	-976	-

The tax charge of -561 (x € 1,000) results in an effective tax burden of 24%, determined on the basis of profit, excluding participation. This concerns the tax burden, excluding the corrections relating to previous years. The effective tax burden, including the corrections relating to previous years, is 26.2%, determined on the basis of profit, including participation. The corrections relating to previous years concern corporation tax still to be paid with retroactive force relating to work in the UK. The effective tax rate therefore deviates from the nominal Dutch tax rate of 25%. The following overview shows the relationship between the nominal Dutch tax rate and the effective tax rate.

	2014 x € 1,000	2014 %	2013 x € 1,000	2013 %
Profit before tax	3,733		5,857	
Corporate tax at the nominal rate (20-25%)	-924	24.8%	-1,454	24.8%
Adjustments to arrive at the effective rate:				
Tax exemption for objects	63	-1.7%	-	-
Tax exemption for subsidiaries	348	-9.3%	298	-5.1%
MIA/VAMIL	27	-0.7%	-	-
Non-deductible costs	-75	2.0%	-50	0.9%
Prior-year adjustments	-415	11.1%	0	0.0%
Total corporate tax	-976	26.2%	-1,206	20.6%

Company balance sheet as at 31 December 2014

(before appropriation of result)

Assets	31 December 2014 x € 1,000	31 December 2013 x € 1,000
Fixed assets		
Intangible fixed assets		
Software	15,292	5,256
Tangible fixed assets		
Equipment	10,297	12,032
Other fixed assets	4,611	5,071
	14,908	17,103
Financial fixed assets 1)		
Participations in group companies 2)	9,986	11,710
Other associates	4,720	4,518
Other receivables	100	-
	14,806	16,228
Total fixed assets	**45,006**	**38,587**
Current assets		
Receivables		
Reveivables from clients	11,995	15,637
Receivables from group companies	5,985	3,570
Deferred tax receivable	2,666	1,743
Other receivables and prepayments	5,689	4,509
	26,335	25,459
Cash and equivalents		
Cash balances	36,367	67,959
Cash from third parties	42,034	37,262
	78,401	105,221
Total current assets	**104,736**	**130,680**
Total	**149,742**	**169,267**

Numbers stated in the items refer to the notes to the balance sheet items.

Equity and liabilites

	31 December 2014 x € 1,000	31 December 2013 x € 1,000
Shareholders' equity		
Issued share capital 3)	9,076	9,076
Legal reserves 4)	7,933	5,396
Other reserves 5)	9,094	11,630
Unappropriated profit 6)	2,757	4,651
	28,860	30,753
Provisions		
Other provisions	3,125	2,712
	3,125	2,712
Long-term liabilities		
Subordinated loans from participants	9,000	9,000
Liabilities to credit institutions	-	77
Other liabilities	10,207	9,745
	19,207	18,822
Current liabilities		
Payables to credit institutions	-	86
Payable to banks	15,937	54,278
Trade payables	4,926	2,327
Payables to group companies	-	292
Taxes and other social securities payable	3,124	3,962
Payables to pension funds	362	70
Other liabilities	32,167	18,703
Cash from third parties to be paid	42,034	37,262
	98,550	116,980
Total	**149,742**	**169,267**

Numbers stated in the items refer to the notes to the balance sheet items.

Company profit and loss account

2014

	2014 x € 1,000	2013 x € 1,000
Net turnover	191,270	190,434
Other income	2,080	1,160
Total operating income	193,350	191,594
Employee costs	111,259	107,956
Cost of outsourced work	31,634	29,992
Depreciation	8,708	9,017
Other operating expenses	37,690	38,803
Total operating expenses	189,291	185,768
Operating profit	**4,059**	**5,826**
Interest income and other net finance income	13	109
Interest expenses and other net finance expenses	-627	-550
Financial income and expense	-614	-441
Result from ordinairy business activities before tax	**3,445**	**5,385**
Share in result of participating interests and other associates 7)	565	652
Result before taxation	4,010	6,037
Tax on result of ordinairy business activities	-1,253	-1,386
Result after taxation	**2,757**	**4,651**

Numbers stated in the items refer to the notes to the profit and loss account.

General accounting principles for valuation and determination of result

General

General accounting principles for the valuation of assets and liabilities

The company financial statements are prepared in accordance with the statutory provisions of part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standard Board. Unless stated otherwise, the financial statements are presented in thousands of euros.

For the general principles for preparing the financial statements, the accounting principles for the valuation of assets and liabilities and the determination of the profit, as well as the notes to the assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, in so far as not stated otherwise hereafter.

Financial fixed assets

Participating interests in group companies in which significant influence is exercised on business and financial policy are valued at net asset value, but no lower than nil. This net asset value is calculated on the basis of the policies of MN. The associated company Stichting Juridisch Eigendom Mn Services Levensloop Fonds in The Hague is valued at the acquisiton costs.
Participating interests with a negative net asset value are valued at nil. If the company wholly or partly guarantees the liabilities of the participating interest in question, or if it has the actual obligation to enable the participating interest to pay its share of the liabilities, a provision is recognized. In determining the size of this provision, account is taken of provisions already deducted from claims against the participating interest for bad and doubtful debts.

Notes to the company balance sheet

at 31 December 2014

Assets

1 Financial fixed assets

	Participating interests in group companies	Other associates	Other receivables	2014 x € 1,000 Total	2013 x € 1,000 Total
Balance as at 1 January 2014	11,710	4,518	-	16,228	13,818
Movements					
Result	-828	1,393	-	565	651
Provided loan	-	-	100	100	-
Share premium paid	-896	-	-	-896	1,857
Dividend received	-	-1,191	-	-1,191	-98
Total movements	-1,724	202	100	-1422	2,410
Balance as at 31 December 2014	9,986	4,720	100	14,806	16,228

2 Participations in group companies

	31-12-2014 x € 1,000	31-12-2013 x € 1,000
Mn Services Vermogensbeheer B.V.	8,491	10,135
Mn Services Fondsenbeheer B.V.	1,495	1,575
	9,986	11,710

Liabilities

Shareholders' equity

3 Issued share capital

The company's authorised capital consists of 40 million shares of one euro, of which 9,075,611 shares have been issued (2013: 9,075,611).

The Stichting Mn Services Administratiekantoor, which was previously the holder of the priority shares, holds 95% of the share capital (78 1/3% in 2013). The other 5% are held by Stichting Bedrijfspensioenfonds Koopvaardij.

Priority shares

MN has obtained five priority shares for no consideration. The voting right attaching to these shares cannot be exercised as long as MN holds the priority shares itself.

4 Legal reserves

The Legal reserve includes the following items:

	2014 x € 1,000	2013 x € 1,000
Legal reserve net profit other associates	4,549	4,345
Legal reserve in-house developed software	3,384	1,051
Balance as at 31 December	**7,933**	**5,396**

Legal reserve net profit other associates:

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	4,346	3,415
Result from other associates	1,255	1,028
Dividends received	-1,191	-98
Other movements	139	-
Balance as at 31 December	**4,549**	**4,345**

In accordance with the Dutch Civil Code, a legal reserve is recognized at the expense of other reserves for the cumulative result from other associates, less the dividend received.

Legal reserve in-house developed software:

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	1,051	1,932
Addition	2,627	-
Movement	-294	-881
Balance as at 31 December	**3,384**	**1,051**

MN is obliged to recognize a legal reserve in connection with the book value of the in-house developed intangible fixed assets.
The intangible fixed assets will be depreciated within a period of four years.

5 Other reserves

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	11,630	7,082
Movements of legal reserve inhouse developed software	-2,333	881
Movements of legal reserve net profit other associates	-203	-930
Movements prior financial year	0	4,597
Balance as at 31 December	**9,094**	**11,630**

6 Unappropriated profit

	2014 x € 1,000	2013 x € 1,000
Balance as at 1 January	4,651	4,597
Result on changes 2014 (2013)	2,757	4,651
Addition to changes	0	-4,597
Profit distribution	-4,651	0
Balance as at 31 December	**2,757**	**4,651**

Rights, obligations and arrangements not included in the balance

Tax group

The legal entity, the 100% participating interest Mn Services Vermogensbeheer B.V. and the 100% participating interest Mn Services Fondsenbeheer B.V., are part of the tax group for corporation tax at the level of MN and as such are jointly and severally liable for the tax liability of the tax group as a whole.

Corporation tax is allocated to the subsidiaries on the basis of the results achieved. The differences between the fiscal and commercial allocation of items is expressed in the financial statements of the parent company Mn Services N.V.

With respect to the VAT, the tax group consists of Mn Services N.V., Stichting Pensioenfonds Metaal en Techniek, Mn Services Vermogensbeheer B.V. , N.V. Schadeverzekering Metaal en Technische Bedrijfstakken and Stichting Administratief Gemak and as such are jointly and severally liable for the tax liability of the tax group as a whole.

Notes to the company profit and loss account

2014

7 Share in result of participating interests and other associates

	2014	2013
	x € 1,000	x € 1,000
Mn Services Vermogensbeheer B.V.	56	29
Mn Services Fondsenbeheer B.V.	-884	-405
Combinatie Bovemij Mn Services B.V.	1,305	884
UNETO-VNI Verzekeringsservice B.V.	88	144
	565	652

Signing

The Hague, 31 maart 2015

Management Board
R. Hagendijk,
Chief Executive Officer
W.M.A.E. Mutsaers,
Chief Client Officer

Supervisory Board
Dr C.A. Linse, Chairman
P.J.W.G. Kok
Dr C. Korevaar
Ms C.P. Vogelaar
C. van Woudenberg

Other information

Regulation in the articles of association regarding the profit appropriation

Appropriation of result according to articles of association

In accordance with Article 35 of the articles of association, the profit appropriation is arranged as follows:

Priority shareholders may decide to reserve all or part of the profit. In so far as the profit is not reserved, it is freely available to the shareholders.

Appropriation of the result for the financial year 2013

During the preparation of the annual report 2013 was the proposal to add the entire result to the other reserves. During the General Meeting it was decided that the result for the year 2013 will be distributed.

In accordance with Section 153, Book 2, of the Dutch Civil Code, MN submitted a statement to the Commercial Register in late June 2013 that MN fulfils the two-tier company regime criteria. The three-year period (in accordance with Section 154, subsection 1, Book 2, of the Dutch Civil Code) for the application of the two-tier company regime commenced at that time.

Proposed appropriation of result for the financial year 2014

The proposal is to distribute the entire result from the financial year.

UK branche listing

Mn Services Vermogensbeheer B.V. is listed as a branche at the Chamber of Commerce in the United Kingdom. This branche is known as Mn Services Investment Management UK.

Independent auditor's report

To: the shareholders of Mn Services N.V.

Report on the financial statements

We have audited the accompanying financial statements 2014 of Mn Services N.V., The Hague, which comprise the consolidated and company balance sheet as at 31 December 2014, the consolidated and company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

The board's responsibility
The board is responsible for the preparation and fair presentation of these financial statements and for the preparation of the Executive Board Report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board 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 judgement, 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, 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

In our opinion, the financial statements give a true and fair view of the financial position of Mn Services N.V. as at 31 December 2014, 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 executive 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 Executive 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.

Rotterdam, 31 March 2015
PricewaterhouseCoopers Accountants N.V.