

STATEMENT OF ADDITIONAL INFORMATION FOR THE
PREMIER VARIABLE UNIVERSAL LIFE III
Flexible Premium Variable Universal Life Policy

Issued By:

MIDLAND NATIONAL LIFE INSURANCE COMPANY
(through the Midland National Life Separate Account A)

This Statement of Additional Information (“SAI”) expands upon subjects discussed in the current prospectus for the Premier Variable Universal Life III (“policy”) issued by Midland National Life Insurance Company. You may obtain a free copy of the prospectus dated May 1, 2016, by contacting Us at:

Midland National Life Insurance Company
One Sammons Plaza
Sioux Falls, SD 57193
(605) 373-2207 (telephone)
(800) 272-1642 (toll-free telephone)
(877) 841-6709 (toll-free facsimile)

Terms used in this SAI have the same meanings as in the current prospectus for the policy.

This statement of additional information is not a prospectus and should be read only in conjunction with the prospectus for this policy and the prospectuses for the 58 Portfolios currently available in the policy.

Dated May 1, 2016

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THE POLICY

The entire contract is made up of the policy, including any supplemental benefit, schedules, the signed written application for the policy, and any attached supplemental written application(s). We assume that each statement made in the written application is made to the best of the knowledge and belief of the person(s) who made them and, in the absence of fraud, those statements are deemed to be representations and not warranties. We cannot use any statement to deny a claim or to void the policy unless it is contained in a written application that is made part of the policy by attachment or insertion.

POLICYOWNER

The policyowner is the Insured unless another individual has been named in the application. As policyowner, You are entitled to exercise all rights under Your policy while the Insured is alive. Without any beneficiary consent You can:

1. Transfer ownership of Your policy by absolute assignment;
2. Designate, change or revoke a contingent owner; or
3. Change any revocable beneficiary during the Insured's lifetime.

With each irrevocable beneficiary's consent, You may:

1. Change the irrevocable beneficiary during the insured's lifetime;
2. Receive any benefit, exercise any right, and use any privilege granted by Your policy allowed by Us; or
3. Agree with Us to any change or amendment of Your policy.

If You die while the Insured is alive, the contingent owner, if any, will become the owner. If there is no contingent owner, ownership will pass to Your estate.

DEATH BENEFIT

As long as the policy is still in force, We will pay the death benefit to the beneficiary when the Insured dies. Federal tax law may require a greater death benefit than the one provided for in Your policy. Your policy allows a choice between two death benefit qualification tests – the Cash Value Accumulation Test and the Guideline Premium Test. Both of these tests are ones defined under Section 7702 of the Internal Revenue Code.

If you do not want limits (subject to Company minimums and maximum and the policy becoming a Modified Endowment Contract), on the amount of premium You can pay into the policy, the Cash Value Accumulation Test is usually the better choice.

The Guideline Premium Test will usually result in a lower minimum death benefit than the Cash Value Accumulation Test. Your choice depends on the premiums You want to pay. **THE GUIDELINE PREMIUM TEST IS THE DEFAULT TEST FOR YOUR POLICY, AND HISTORICALLY HAS BEEN THE MORE POPULAR CHOICE.**

Under both the Cash Value Accumulation Test and the Guideline Premium Test, the guideline minimum death benefit is the accumulation value of Your policy (Your policy fund) times a corridor percentage. The corridor percentages do vary depending on the test that you choose.

For the Guideline Premium Test, the corridor percentage varies by the policy age of the insured(s) at the start of the policy year and declines as the insured person gets older.

The minimum death benefit will be Your policy fund on the day the insured person dies multiplied by the corridor percentage for his or her age. For this purpose, age is the policy age (last birthday) at the beginning of the policy year of the insured person's death.

For the Cash Value Accumulation Test, the corridor percentage varies by the policy age, sex and Premium Class of the Insured. The minimum death benefit will be Your policy fund on the day the insured person dies multiplied by the percentage for his or her age. For this purpose, age is the policy age (last birthday) at the beginning of the policy year of the insured person's death.

**Table of Corridor Percentages
Based on Policy Fund**

If the Insured Person's Age Is This	The Death Benefit Will Be At Least Equal To This Percent Of The Policy Fund	If the Insured Person's Age Is This	The Death Benefit Will Be At Least Equal To This Percent Of The Policy Fund
0-40	250%	60	130%
41	243%	61	128%
42	236%	62	126%
43	229%	63	124%
44	222%	64	122%
45	215%	65	120%
46	209%	66	119%
47	203%	67	118%
48	197%	68	117%
49	191%	69	116%
50	185%	70	115%
51	178%	71	113%
52	171%	72	111%
53	164%	73	109%
54	157%	74	107%
55	150%	75-90	105%
56	146%	91	104%
57	142%	92	103%
58	138%	93	102%
59	134%	94	101%
		95-99	100%

These percentages are based on federal income tax law which requires a minimum death benefit, in relation to policy fund, for Your policy to qualify as life insurance.

Example – Assuming Guideline Premium Test

For example, assume the Insured person is 55 years old and the face amount is \$100,000. The “corridor percentage” at that age is 150%. Under option 1, the death benefit will generally be \$100,000. However, when the policy fund is greater than \$66,666.67, the corridor percentage applies and the death benefit will be greater than \$100,000 (since 150% of \$66,666.67 equals \$100,000). In this case, at age 55, We multiply the policy fund by a factor of 150%. So if the policy fund were \$70,000, then the death benefit would be \$105,000.

Under option 2, the death benefit is the face amount plus the policy fund. In this example, if a 55 year-old had a face amount of \$100,000 and a policy fund of \$200,000, then the death benefit would be \$300,000. This figure results from either: (a) adding the face amount to the policy fund or (b) multiplying the policy fund by the corridor percentage. For all policy funds higher than this level, the corridor percentage would apply. Therefore, for every \$1.00 added to the policy fund above \$200,000, the death benefit would increase by \$1.50 (at that age).

Table of Corridor Percentages Cash Value Accumulation Test

Male

Based on Policy Fund

If the Insured Person's Policy Age is this	The Death Benefit Will be at Least Equal to This Percent of The Policy Fund	If the Insured Person's Policy Age is this	The Death Benefit Will be at Least Equal to This Percent of The Policy Fund
0	1547.8%	51	272.2%
1	1503.6%	52	263.7%
2	1455.4%	53	255.4%
3	1406.2%	54	247.6%
4	1356.2%	55	240.1%
5	1307.9%	56	232.9%
6	1261.2%	57	226.1%
7	1216.0%	58	219.5%
8	1172.4%	59	213.2%
9	1130.1%	60	207.2%
10	1089.3%	61	201.4%
11	1049.8%	62	195.9%
12	1011.7%	63	190.7%
13	975.9%	64	185.7%
14	941.3%	65	181.0%
15	908.7%	66	176.5%
16	878.8%	67	172.2%
17	850.4%	68	168.0%
18	822.8%	69	164.1%
19	796.6%	70	160.2%
20	771.0%	71	156.5%
21	746.1%	72	153.0%
22	721.7%	73	149.7%
23	698.6%	74	146.5%
24	676.0%	75	143.5%
25	654.0%	76	140.6%
26	632.5%	77	137.9%
27	612.0%	78	135.3%
28	592.1%	79	132.9%
29	572.6%	80	130.6%
30	553.7%	81	128.5%
31	535.2%	82	126.5%
32	517.0%	83	124.6%
33	499.6%	84	122.8%
34	482.6%	85	121.2%
35	466.1%	86	119.7%
36	450.1%	87	118.3%
37	434.8%	88	117.0%
38	420.1%	89	115.9%
39	405.7%	90	114.8%
40	392.0%	91	113.9%
41	378.7%	92	113.0%
42	366.0%	93	112.2%
43	353.8%	94	111.4%
44	342.2%	95	110.8%
45	331.0%	96	110.1%
46	320.2%	97	109.5%
47	309.9%	98	108.9%
48	300.0%	99+	108.4%
49	290.4%		
50	281.1%		

Example – Assuming Cash Value Accumulation Test

Assume the insured person is 55 years old, male standard non- tobacco and the face amount is \$100,000. The “corridor percentage” for the Cash Value Accumulation Test at that age is 240.1%. Under option 1, the death benefit will generally be \$100,000. However, when the policy fund is greater than \$41,649.31, the corridor percentage applies and the death benefit will be greater than \$100,000 (since 240.1% of \$41,649.31 equals \$100,000). In this case, at age 55, We multiply the policy fund by a factor of 240.1%. So if the policy fund were \$70,000, then the death benefit would be \$168,070.

Under option 2, the death benefit is the face amount plus the policy fund. In this example, if a 55 year-old had a face amount of \$100,000 and a policy fund of \$71,377.59, then the death benefit would be \$171,377.59. This figure results from either: (a) adding the face amount to the policy fund or (b) multiplying the policy fund by the corridor percentage. For all policy funds higher than this level, the corridor percentage would apply. Therefore, for every \$1.00 added to the policy fund above \$71,377.59, the death benefit would increase by \$2.40 (at that age).

PAYMENT OPTIONS

You may choose for policy benefits and other payments (such as the net cash surrender value or death benefit) to be paid immediately in one lump sum or in another form of payment. Payments under these options are not affected by the investment performance of any investment division. Instead, interest accrues pursuant to the option chosen. If You do not arrange for a specific form of payment before the Insured person dies, then the beneficiary will have this choice. However, if You do make an arrangement with Us for how the money will be paid, then the beneficiary cannot change Your choice. Payment options will also be subject to Our rules at the time of selection.

PREMIUM LIMITATIONS

Federal law limits the premiums that can be paid if this policy is to qualify as life insurance for tax purposes. We will not accept a premium that would cause this limit to be exceeded. If We accept such a premium in error, We will refund it as soon as the error is discovered.

If a policy change is executed that causes this policy to exceed the maximum premium limits allowed by federal law, We will refund the excess premium when the total premiums paid exceed the federal limits.

We will accept any premium needed to keep this policy in force.

ABOUT US

MIDLAND NATIONAL LIFE INSURANCE COMPANY

We are Midland National Life Insurance Company, a stock life insurance company. We were organized, in 1906, in South Dakota, as a mutual life insurance company at that time named “The Dakota Mutual Life Insurance Company”. We were reincorporated as a stock life insurance company in 1909. Our name, Midland National Life Insurance Company, was adopted in 1925. We redomesticated to Iowa in 1999. We are licensed to do business in 49 states, the District of Columbia, and Puerto Rico.

Midland National is a subsidiary of Sammons Enterprises, Inc., Dallas, Texas. Sammons Enterprises, Inc. has controlling or substantial stock interests in a large number of other companies engaged in the areas of insurance, corporate services, and industrial distribution.

Our Financial Condition: As an insurance company, we are required by state insurance regulation to hold a specified amount of reserves in order to meet all of the contractual obligations of Our General Account to our policyowners. We monitor our reserves so that we hold sufficient amounts to cover actual or expected policy and claims payments. It is important to note, however, that there is no guarantee that we

will always be able to meet our claims-paying obligations, and that there are risks to purchasing any insurance product.

State insurance regulators also require insurance companies to maintain a minimum amount of capital, which acts as a cushion in the event that the insurer suffers a financial impairment, based on the inherent risks in the insurer's operations. These risks include those associated with losses that we may incur as the result of defaults on the payment of interest or principal on Our General Account assets, as well as the loss in market value of those investments. We may also experience liquidity risk if Our General Account assets cannot be readily converted into cash to meet obligations to our policyowners or to provide collateral necessary to finance Our business operations.

We encourage both existing and prospective policyowners to read and understand our financial statements, which are included in this Statement of Additional Information ("SAI").

OUR SEPARATE ACCOUNT A

The "Separate Account" is Our Separate Account A, established under the insurance laws of the State of Iowa. It is a unit investment trust registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, as amended, but **this registration does not involve any SEC supervision of its management or investment policies.** The Separate Account meets the definition of a "Separate Account" under the federal securities laws. Income, gains and losses credited to, or charged against, the Separate Account reflects the investment experience of the Separate Account and not the investment experience of Midland National's other assets. The assets of the Separate Account may not be used to pay any of Our other liabilities. We are obligated to pay all amounts guaranteed under the policy.

The Separate Account has a number of investment divisions, each of which invests in the shares of a corresponding portfolio of the funds. You may allocate part or all of Your net premiums in up to fifteen of the fifty-eight investment divisions of Our Separate Account at any one time.

OUR REPORTS TO POLICYOWNERS

We currently intend to send You reports shortly after the end of the third, sixth, ninth, and twelfth policy months of each policy year that show:

- the current death benefit for Your policy,
- Your policy fund,
- information about investment divisions,
- the cash surrender value of Your policy,
- the amount of Your outstanding policy loans,
- the amount of any interest that You owe on the loan, and
- information about the current loan interest rate.

The annual report will show any transactions involving Your policy fund that occurred during the policy year. Transactions include Your premium allocations, Our deductions, and Your transfer or withdrawals. The annual or other periodic statements provide confirmations of certain regular, periodic items (such as monthly deductions and premium payments by Civil Service Allotment or automatic checking account deductions). We may change these reporting practices. Confirmations will be sent to You for transfers of amounts between investment divisions and certain other policy transactions.

Our report also contains information that is required by the insurance supervisory official in the jurisdiction in which this insurance policy is delivered.

We will send You semi-annual reports with financial information on the funds.

DIVIDENDS

We do not pay any dividends on these policies.

DISTRIBUTION OF THE POLICIES

The policies are offered to the public on a continuous basis. We anticipate continuing to offer the policies, but reserve the right to discontinue the offering.

Sammons Financial Network, LLC (“Sammons Financial Network”) serves as principal underwriter for the contracts. Sammons Financial Network is a Delaware limited liability company and its principal office is located at 4546 Corporate Drive, Suite 100, West Des Moines, IA 50266. Sammons Financial Network is an indirect, wholly owned subsidiary of Sammons Enterprises, Inc. of Dallas, Texas, which in turn is the ultimate parent company of Midland National Life Insurance Company. Sammons Financial Network is registered as a broker-dealer with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as well as with the securities commissions in the states in which it operates, and is a member of FINRA, Inc. Sammons Financial Network enters into selling agreements with other broker-dealers (“selling firms”) and compensates them for their services. Registered representatives, who offer contracts, are appointed as insurance agents for Midland National Life Insurance Company.

Sammons Financial Network and Sammons Securities Company received sales compensation with respect to these policies and other variable life policies not included in this registration statement under the Midland National Life Separate Account A in the following amounts during the years indicated:

Fiscal year	Aggregate Amount of Commissions Paid to Underwriter ¹	Aggregate Amount of Commissions Retained by Underwriter ¹
2013 ²	\$1,319,001	\$15,002
2014 ³	\$825,754.49	\$8,238.09
2015 ⁴	\$541,730.06	\$10,089.65

¹May include total sales compensation paid to registered persons of the underwriter and an underwriting fee of 1.25% for first-year commissions paid to the underwriter for all of Midland National’s variable universal life insurance policies under Separate Account A.

²Paid to Sammons Securities Company, principal underwriter for Separate Account A, for 2013.

³Paid to Sammons Securities Company and Sammons Financial Network, principal underwriters for Separate Account A, for 2014. Sammons Financial Network became the principal underwriter on July 1, 2014.

⁴Paid to Sammons Financial Network, principal underwriter for Separate Account A, for 2015.

Sammons Financial Network passes through commissions it receives to selling firms for their sales and does not retain any portion of it in return for its services as distributor for the policies. However, under the distribution agreement with Sammons Financial Network, We pay the following sales expenses:

- sales representative training allowances,
- deferred compensation and insurance benefits,
- advertising expenses, and
- all other expenses of distributing the policies.

We and/or Sammons Financial Network may pay certain selling firms additional amounts for

- “preferred product” treatment of the policies in their marketing programs, which may include marketing services and increased access to their sales representatives;
- sales promotions relating to the policies;
- costs associated with sales conferences and educational seminars for their sales representatives; and
- other sales expenses incurred by them.

We and/or Sammons Financial Network may make bonus payments to certain selling firms based on aggregate sales or persistency standards. These additional payments are not offered to all selling firms, and the terms of any particular agreement governing the payments may vary among selling firms.

We intend to distribute the policies in all states, except New York, and in certain United States possessions and territories.

REGULATION

We are regulated and supervised by the Iowa Insurance Department. We are subject to the insurance laws and regulations in every jurisdiction where We sell policies. This policy has been filed with and, as necessary, approved by insurance officials in those states. The provisions of this policy may vary somewhat from jurisdiction to jurisdiction.

We submit annual reports on Our operations and finances to insurance officials in all the jurisdictions where We sell policies. The officials are responsible for reviewing Our reports to be sure that We are financially sound and are complying with the applicable laws and regulations.

We are also subject to various federal securities laws and regulations with respect to the Separate Account and the policies.

DISCOUNT FOR EMPLOYEES OF SAMMONS ENTERPRISES, INC.

Employees of Sammons Enterprises, Inc. may receive a discount of up to 25% of first year premiums. Midland National is a subsidiary of Sammons Enterprises, Inc., and additional premium payments contributed solely by Us will be paid into the employee's policy during the first year. All other policy provisions will apply.

LEGAL MATTERS

The law firm of Sutherland Asbill & Brennan LLP, Washington, DC, has provided certain legal advice relating to certain matters under the federal securities laws.

FINANCIAL MATTERS

The financial statements of Midland National Life Separate Account A and Midland National Life Insurance Company, included in this SAI and the registration statement, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, for the periods indicated in their report which appears in this SAI. The address for PricewaterhouseCoopers LLP is 699 Walnut Street, Suite 1300, Des Moines, IA 50309. The financial statements have been included in reliance upon reports given upon the authority of the firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

We have filed a Registration Statement relating to the Separate Account and the variable life insurance policy described in this SAI with the SEC. The Registration Statement, which is required by the Securities Act of 1933, includes additional information that is not required in this SAI under the rules and regulations of the SEC. If You would like additional information, then You may obtain it from the SEC's main office in Washington, DC. You will have to pay a fee for the material.

ILLUSTRATIONS

Midland National may provide individual hypothetical illustrations of policy fund, cash surrender value, and death benefits based on the funds' historical investment returns. These illustrations will reflect the deduction of expenses in the funds and the deduction of policy charges, including the percent of fund value charge, the deductions from premiums, the monthly deduction from the policy fund and the surrender charge. The hypothetical illustrations are designed to show the performance that could have resulted if the policy had been in existence during the period illustrated and do not indicate what policy benefits will be in the future.

FINANCIAL STATEMENTS

The financial statements of Midland National Life Insurance Company included in this Statement of Additional Information should be distinguished from the financial statements of the Midland National Life Separate Account A and should be considered only as bearing upon the ability of Midland National Life Insurance Company to meet its obligations under the policies. They should not be considered as bearing upon the safety or investment performance of the assets held in the Separate Account.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

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Independent Auditor's Report

To the Board of Directors of Midland National Life Insurance Company and Subsidiaries:

We have audited the accompanying consolidated financial statements of Midland National Life Insurance Company and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of income, of comprehensive income, of stockholder's equity and of cash flows for each of the three years in the period ended December 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Midland National Life Insurance Company and its subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

March 28, 2016

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 and 2014

(Amounts in Thousands, except share amounts)

	2015	2014
ASSETS		
Investments		
Fixed maturities, available-for-sale, at fair value	\$ 36,370,496	\$ 35,004,141
Equity securities, available-for-sale, at fair value	486,423	629,968
Mortgage loans	4,411,801	2,946,469
Policy loans	357,805	362,181
Short-term investments	802,297	681,352
Derivative instruments	363,853	607,805
Other invested assets	864,934	977,601
Total investments	43,657,609	41,209,517
Cash	150,972	369,820
Accrued investment income	313,436	298,459
Deferred policy acquisition costs and present value of future profits of acquired businesses	1,811,664	1,581,768
Deferred sales inducements	530,061	460,588
Other receivables, other assets and property, plant and equipment	610,597	346,951
Reinsurance receivables	1,751,861	1,849,174
Separate account assets	1,450,499	1,279,865
Total assets	<u>\$ 50,276,699</u>	<u>\$ 47,396,142</u>
LIABILITIES		
Policyholder account balances	\$ 36,381,071	\$ 33,608,754
Policy benefit reserves	1,613,143	1,496,443
Policy claims and benefits payable	203,891	222,690
Notes payable	383,440	383,440
Repurchase agreements, other borrowings and collateral on derivative instruments	4,266,694	4,049,716
Deferred income tax	657,371	896,685
Other liabilities	891,263	889,089
Separate account liabilities	1,450,499	1,279,865
Total liabilities	<u>45,847,372</u>	<u>42,826,682</u>
STOCKHOLDER'S EQUITY		
Common stock, \$1 par value, 1,000 shares authorized, issued and outstanding	2,549	2,549
Additional paid-in capital	493,893	476,573
Retained earnings	3,075,580	2,737,239
Accumulated other comprehensive income	843,065	1,351,554
Total Midland National Life stockholder's equity	<u>4,415,087</u>	<u>4,567,915</u>
Noncontrolling interest	14,240	1,545
Total stockholder's equity	<u>4,429,327</u>	<u>4,569,460</u>
Total liabilities and stockholder's equity	<u>\$ 50,276,699</u>	<u>\$ 47,396,142</u>

The accompanying notes are an integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013

(Amounts in Thousands)

	2015	2014	2013
REVENUES			
Premiums	\$ 236,434	\$ 232,994	\$ 221,462
Charges on interest sensitive and investment-type products	468,696	423,206	394,221
Net investment income	1,575,899	1,725,708	1,627,179
Net gains on derivatives and derivative instruments	282,414	343,313	333,118
Net realized investment gains	123,442	237,092	134,180
Net impairment loss recognized in earnings	(120,462)	(53,031)	(21,132)
Other income (loss)	(796)	18,722	17,939
Total revenue	2,565,627	2,928,004	2,706,967
BENEFITS AND EXPENSES			
Interest credited to policyholder account balances	896,087	1,205,610	1,047,995
Benefits incurred	481,481	519,672	423,172
Amortization of deferred sales inducements	93,541	48,093	82,837
Total benefits	1,471,109	1,773,375	1,554,004
Operating and other expenses (net of commissions and other expenses deferred)	258,013	206,285	220,856
Amortization of deferred policy acquisition costs and present value of future profits of acquired businesses	197,343	75,700	189,200
Total benefits and expenses	1,926,465	2,055,360	1,964,060
Income before income taxes	639,162	872,644	742,907
Income tax provision	172,276	281,049	232,489
Net income	466,886	591,595	510,418
Plus: Net (income) loss attributable to noncontrolling interest	(4,665)	2,768	-
Net income attributable to Midland National Life	\$ 462,221	\$ 594,363	\$ 510,418

The accompanying notes are an integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013

(Amounts in Thousands)

	2015	2014	2013
Net income	\$ 466,886	\$ 591,595	\$ 510,418
Other comprehensive income (loss):			
Net unrealized gain (loss) on available-for-sale investments, non-credit portion of OTTI, and certain interest rate swaps	(509,922)	818,529	(952,559)
Change in pension liability	-	8,679	5,166
Change in post-retirement liability	1,433	(5,203)	10,491
Total other comprehensive income (loss)	(508,489)	822,005	(936,902)
Comprehensive income (loss)	(41,603)	1,413,600	(426,484)
Plus: Comprehensive income (loss) attributable to noncontrolling interest	(4,665)	2,768	-
Comprehensive income (loss) attributable to Midland National Life	\$ (46,268)	\$ 1,416,368	\$ (426,484)

The accompanying notes are an integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013

(Amounts in Thousands)

	Midland National Life Insurance Co. Stockholder's Equity					
	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non- Controlling Interest	Total Stockholder's Equity
Balance, December 31, 2012	\$ 2,549	\$ 407,279	\$ 2,124,151	\$ 1,466,451	\$ -	\$ 4,000,430
Total comprehensive income (loss)	-	-	510,418	(936,902)	-	(426,484)
Capital contribution	-	21,830	-	-	-	21,830
Employee stock ownership plan	-	20,070	-	-	-	20,070
Dividends paid on common stock	-	-	(122,441)	-	-	(122,441)
Balance, December 31, 2013	2,549	449,179	2,512,128	529,549	-	3,493,405
Total comprehensive income (loss)	-	-	594,363	822,005	-	1,416,368
Capital contribution	-	6,005	-	-	-	6,005
Employee stock ownership plan	-	21,389	-	-	-	21,389
Equity transaction with noncontrolling interest	-	-	-	-	1,545	1,545
Dividends paid on common stock	-	-	(369,252)	-	-	(369,252)
Balance, December 31, 2014	2,549	476,573	2,737,239	1,351,554	1,545	4,569,460
Total comprehensive income (loss)	-	-	462,221	(508,489)	4,665	(41,603)
Employee stock ownership plan	-	17,320	-	-	-	17,320
Equity transaction with noncontrolling interest	-	-	-	-	8,030	8,030
Dividends paid on common stock	-	-	(123,880)	-	-	(123,880)
Balance, December 31, 2015	<u>\$ 2,549</u>	<u>\$ 493,893</u>	<u>\$ 3,075,580</u>	<u>\$ 843,065</u>	<u>\$ 14,240</u>	<u>\$ 4,429,327</u>

The accompanying notes are an integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014, and 2013

(Amounts in Thousands)

	2015	2014	2013
OPERATING ACTIVITIES			
Net income	\$ 466,886	\$ 591,595	\$ 510,418
Adjustments to reconcile net income to net cash provided by operating activities			
Amortization of deferred policy acquisition costs, deferred sales inducements and present value of future profits of acquired businesses	290,884	123,793	272,037
Net amortization of premiums and discounts on investments	(147,613)	(145,652)	(150,893)
Amortization of index options	327,674	199,025	159,644
Employee stock ownership plan	17,320	21,389	20,070
Policy acquisition costs deferred	(349,561)	(279,766)	(295,664)
Sales inducements deferred	(116,128)	(115,144)	(111,657)
Net realized investment (gains) and net impairment losses recognized in earnings	(2,980)	(184,061)	(113,048)
Net (gains) losses on derivatives and derivative instruments	(282,414)	(343,313)	(333,118)
Provision (benefit) for deferred income taxes	34,488	(17,727)	199,847
Net interest credited and product charges on interest sensitive and investment-type products	771,376	1,202,534	987,532
Changes in other assets and liabilities			
Net receivables	(277,572)	(99,442)	(145,935)
Net payables	15,816	77,252	61,883
Policy benefits and reserves	180,068	281,392	311,366
Other, net	73,375	(144,591)	(45,794)
Net cash provided by operating activities	<u>\$ 1,001,619</u>	<u>\$ 1,167,284</u>	<u>\$ 1,326,688</u>

(continued)

The accompanying notes are in integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014, and 2013

(Amounts in Thousands)

	2015	2014	2013
INVESTING ACTIVITIES			
Proceeds from investments sold, matured or repaid			
Fixed maturities	\$ 6,056,586	\$ 5,975,089	\$ 4,649,637
Equity securities	153,572	8,194	50,228
Mortgage loans	196,255	219,765	29,890
Other invested assets	79,143	57,586	123,768
Cost of investments acquired			
Fixed maturities	(8,192,704)	(7,293,375)	(7,836,402)
Equity securities	(51,664)	(156,526)	(114,302)
Mortgage loans	(1,661,568)	(1,217,892)	(870,861)
Derivative instruments	(234,002)	(89,611)	56,462
Other invested assets	(34,949)	(32,117)	(62,839)
Net change in policy loans	4,376	(8,159)	(4,618)
Net change in short-term investments	(120,945)	(527,705)	452,858
Net change in collateral on derivatives	(102,798)	(34,382)	157,147
Net change in amounts due to/from brokers	2,648	25,277	64,908
Net cash used in investing activities	(3,906,050)	(3,073,856)	(3,304,124)
FINANCING ACTIVITIES			
Receipts from universal life and investment products	5,128,084	3,370,222	3,817,909
Benefits paid on universal life and investment products	(2,646,427)	(2,072,809)	(1,938,507)
Net change in repurchase agreements and other borrowings	319,775	616,419	355,954
Issuance of notes payable	-	241,440	142,000
Capital contributions received	-	6,005	21,830
Capital contributions received from noncontrolling interest	8,031	4,313	-
Dividends paid on common stock	(123,880)	(369,252)	(112,699)
Net cash provided by financing activities	2,685,583	1,796,338	2,286,487
Net change in cash	(218,848)	(110,234)	309,051
Cash at beginning of year	369,820	480,054	171,003
Cash at end of year	\$ 150,972	\$ 369,820	\$ 480,054
SUPPLEMENTAL INFORMATION			
Cash paid during the year for			
Income taxes	\$ 200,000	\$ 147,000	\$ 27,741
Interest on other borrowings	7,259	5,245	4,278
Non-cash investing and financing activities:			
Dividends paid by transfer of securities	\$ -	\$ -	\$ 9,742

The accompanying notes are in integral part of the consolidated financial statements.

MIDLAND NATIONAL LIFE INSURANCE COMPANY AND SUBSIDIARIES

(a wholly owned subsidiary of Sammons Financial Group, Inc.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Midland National Life Insurance Company and Subsidiaries (“Midland National” or the “Company”) is a wholly owned subsidiary of Sammons Financial Group, Inc. (“SFG”). SFG is an indirect wholly owned subsidiary of Sammons Enterprises, Inc. (“SEI”). Midland National has three wholly owned subsidiaries. MNL Reinsurance Company (“MNL Re”) and Solberg Reinsurance Company (“Solberg Re”) are captive reinsurance companies domiciled in Iowa. Midland National Services Corporation, LLC (“MNSC”) is a Delaware Limited Liability Company created as a wholly owned subsidiary of Midland National to hold agreed amounts for payment of facility fees and other amounts due under a credit facility agreement that governs a letter of credit arrangement between several SFG entities and a large commercial bank. Midland National offers individual life and annuity products in 49 states and the District of Columbia. The Company is affiliated through common ownership with North American Company for Life and Health Insurance (“North American”).

Basis of presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and reflect the consolidation of the Company with its wholly owned subsidiaries and all entities for which it holds a controlling financial interest. Intercompany transactions have been eliminated in consolidation.

The Company has a financial interest in several entities where it is required to determine whether the entity should be consolidated in the Company’s financial statements. For each financial interest, the Company performs an analysis to determine whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity (“VIE”). The analysis requires the evaluation of several characteristics, including the determination of whether an entity has sufficient equity at risk to allow it to adequately finance its activities, the determination of whether the party with the power to direct the activities of the entity has equity investment at risk in the entity, and whether the equity investment at risk lacks the obligation to absorb expected losses or the right to receive expected residual returns.

Voting interest entities are entities in which the total equity investment at risk is sufficient to enable the entity to finance its activities independently and the equity holders have the obligation to absorb losses, the right to receive residual returns, and the right to make decisions about the entity’s activities. The usual condition for a controlling financial interest in an entity is ownership of a majority voting interest. Accordingly, the Company consolidates voting interest entities in which it has a majority voting interest.

If an entity is determined to be a VIE, the next step is the identification of the primary beneficiary of the VIE. An enterprise is deemed to be the primary beneficiary of a VIE if it has both (i) the power to direct the activities of the entity that most significantly impact the VIE’s economic success and (ii) has the obligation to absorb losses or receive benefits that could potentially be significant to the VIE, or both. The Company determines whether it is the primary beneficiary of a VIE by performing an analysis that principally considers: (i) the VIE’s purpose and design, including the risks the VIE was designed to create and pass through to its variable interest holders,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Thousands)

(ii) the VIE's capital structure, (iii) the terms between the VIE and its variable interest holders and other parties involved with the VIE, (iv) which variable interest holders have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, (v) which variable interest holders have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE and (vi) related party relationships. The party that is the primary beneficiary consolidates the financial results of the VIE. The Company will continue to assess its investments on an ongoing basis as circumstances may change whereby an entity could be determined to be a VIE. The Company could become a primary beneficiary in such a VIE, or an entity's characteristics could change whereby it is no longer a VIE. All of these situations could potentially have a corresponding impact on the Company's consolidated financial statements. When the Company does not have a controlling financial interest in an entity but exerts significant influence over the entity's operating and financial policies (generally defined as owning a voting interest of 20% to 50%) and has an investment in common stock or in-substance common stock, the Company primarily accounts for its investment using the equity method of accounting. For certain limited partnerships, the threshold for the equity method of accounting is 5%.

See Note 7 for further discussion related to the Company's involvement with VIEs.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

The most significant areas which require the use of management's estimates relate to the determination of the fair values of financial assets and liabilities, derivatives and derivative instruments, impairment of securities, income taxes, deferred policy acquisition costs ("DAC"), present value of future profits of acquired businesses ("PVFP"), deferred sales inducements ("DSI"), reinsurance receivables and policy benefit reserves for traditional life insurance policies.

Interest rate risk

The Company is subject to the risk that interest rates will change and cause changes in investment prepayments and changes in the value of its investments. Policyholder persistency is also affected by changes in interest rates. The Company manages its interest rate risk by monitoring its asset and liability durations within a predetermined range. It will mitigate this risk by rebalancing assets when it approaches the boundaries of the pre-determined range. To the extent that fluctuations in interest rates cause the cash flows and duration of assets and liabilities to differ from product pricing assumptions, the Company may have to sell assets prior to their maturity and realize a loss.

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(Dollars in Thousands)

Liquidity risk

Market conditions for fixed income securities could be such that illiquidity in the markets could make it difficult for the Company to sell certain securities and generate cash to meet policyholder obligations. Management believes it has adequate liquidity in its investment portfolio and other sources of funds to meet any future policyholder obligations.

Counterparty risk

The Company enters into derivative and repurchase agreements with various financial institution counterparties. The Company is at risk that any particular counterparty will fail to fulfill its obligations under outstanding agreements. The Company generally limits this risk by selecting counterparties with long-standing performance records and with credit ratings of "A" or above. The amount of exposure to each counterparty is essentially the net replacement cost or fair value for such agreements with each counterparty, as well as any interest due the Company from the last interest payment period less any collateral posted by the counterparty.

Fair value of financial assets, financial liabilities, and financial instruments

The Company can elect an option to record at fair value certain financial assets and financial liabilities. The election is irrevocable and is made contract by contract. The Company has elected to utilize the fair value option for certain fixed maturity investments designated as hybrid instruments.

Fair value estimates are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. Although fair value estimates are calculated using assumptions that management believes are appropriate, changes in assumptions could cause these estimates to vary materially. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in some cases, could not be realized in the immediate settlement of the instruments. Accordingly, the aggregate fair value amounts presented in Note 3 may not represent the underlying value to the Company.

The Company uses the following methods and assumptions in estimating the fair value of its financial instruments:

Available-for-sale securities

Fair value for fixed maturity and equity securities is obtained primarily from independent pricing sources, broker quotes and fair value/cash flow models. Fair value is based on quoted market prices, where available. For securities not actively traded, fair value is estimated using values obtained from independent pricing services or broker quotes. When values are not available from pricing services or broker quotes, such as private placements including corporate securities, asset-backed securities, commercial mortgage-backed and residential mortgage-backed securities, fair value may be estimated by discounting expected future cash flows using a current market rate applicable to the yield, credit quality and maturity of the investments.

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Mortgage loans

Fair value for mortgage loans is estimated using a duration-adjusted pricing methodology that reflects changes in market interest rates and the specific interest-rate sensitivity of each mortgage. Price changes derived from the monthly duration-adjustments are applied to the mortgage portfolio. Each mortgage modeled is assigned a spread corresponding to its risk profile. These spreads are adjusted for current market conditions. Fair value is also adjusted by internally generated illiquidity and default factors.

Short-term investments

The carrying amounts for short-term investments, which primarily consist of money market funds, direct reverse repurchase agreements, certain interest bearing deposits held by various commercial banks, certificates of deposit, and fixed income securities acquired with less than one year to maturity, approximate fair value due to their short-term nature.

Derivative instruments

Fair value for options is based on internal financial models or counterparty quoted prices. Variation margin accounts, consisting of cash balances applicable to open futures contracts, held by counterparties are reported at the cash balances, which is equal to fair value. Fair value for interest rate swaps, interest rate floors, interest rate caps, foreign currency forwards and other derivatives is based on exchange prices, broker quoted prices or fair values provided by the counterparties.

Other invested assets

Other invested assets consist primarily of limited partnerships and certain investments held by VIE's in situations where the Company has been determined to be the primary beneficiary. The Company measures the fair value of limited partnerships on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement guidance issued by the Financial Accounting Standards Board ("FASB") for investment companies as of the reporting entity's measurement date. Investments held by consolidated VIE's are reported at the values provided by the managers of each VIE.

Reinsurance receivables – embedded derivatives from reinsurance ceded

Fair value for embedded derivatives related to coinsurance with funds withheld treaties for indexed annuities is determined based on fair values of the financial instruments in the funds withheld portfolios and on models the Company has developed to estimate the fair values of the liabilities ceded.

Fair value for the embedded derivative related to a modified coinsurance treaty for multi-year guaranteed annuities is based on the difference between the fair value and the cost basis of the financial instruments applicable to the Company's modified coinsurance agreement.

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Separate account assets

Separate account assets are reported at fair value in the consolidated balance sheets based on quoted net asset values of the underlying mutual funds.

Policyholder account balances

Fair value for the Company's liabilities for investment-type insurance contracts is estimated using two methods. For those contracts without a defined maturity, the fair value is estimated as the amount payable on demand (cash surrender value). For those contracts with known maturities, fair value is estimated using discounted cash flow calculations using interest rates currently being offered for similar contracts with maturities consistent with the contracts being valued. The reported value of the Company's investment-type insurance contracts includes the fair value of indexed life and annuity embedded derivatives which are calculated using discounted cash flow valuation techniques based on current interest rates adjusted to reflect credit risk and an additional provision for adverse deviation.

Notes payable

The fair value of the Company's notes payable is derived from a discounted cash flow model using current market rates applicable to the yield, credit quality and maturity of the notes.

Repurchase agreements, other borrowings and collateral on derivative instruments

The fair value of the Company's repurchase agreements is tied to the fair value of the underlying collateral securities. The fair value of other borrowings which consists of borrowings from the Federal Home Loan Bank of Des Moines ("FHLB"), approximates its reported value due to its short maturity. The fair value of collateral on derivative instruments approximates the carrying value due to the short-term nature of the investment. These investments primarily consist of cash and fixed income securities.

Investments and investment income

Available-for-sale securities

The Company is required to classify its fixed maturity investments (bonds and redeemable preferred stocks) and equity securities (common and non-redeemable preferred stocks) into three categories: securities that the Company has the positive intent and the ability to hold to maturity are classified as "held-to-maturity;" securities that are held for current resale are classified as "trading securities;" and securities not classified as held-to-maturity or as trading securities are classified as "available-for-sale." Investments classified as trading or available-for-sale are required to be reported at fair value in the consolidated balance sheets. The Company currently has no securities classified as held-to-maturity or trading.

Available-for-sale securities are classified as such if not considered trading securities or if there is not the positive intent and ability to hold the securities to maturity. Such securities are carried at fair value with the unrealized holding gains (losses) and non-credit related impairment losses included as a component of other comprehensive income (loss) ("OCI") in the consolidated statements of comprehensive income. OCI is reported net of related adjustments to intangibles

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(primarily DAC, DSI and unearned revenue liability), deferred income taxes, and the accumulated unrealized holding gains (losses) on securities sold which are released into income as realized investment gains (losses).

For collateralized mortgage obligations (“CMOs”) and mortgage-backed securities, the Company recognizes income using a constant effective yield based on anticipated prepayments and the estimated economic life of the securities. When actual prepayments differ from anticipated prepayments, the effective yield is recalculated to reflect actual payments to date and anticipated future payments. The net investment in the security is adjusted to the amount that would have existed had the new effective yield been applied since the acquisition of the security. This adjustment is included in net investment income. Included in this category is approximately \$168,153 and \$171,193 of mortgage-backed securities that are all or partially collateralized by sub-prime mortgages at December 31, 2015 and 2014, respectively. A sub-prime mortgage is defined as a mortgage with one or more of the following attributes: weak credit score, high debt-to-income ratio, high loan-to-value ratio or undocumented income. At December 31, 2015 and 2014, 98% and 94%, respectively of the Company’s securities with sub-prime exposure were rated as investment grade.

Mortgage loans

Mortgage loans consist principally of commercial mortgage loans and are carried at the adjusted unpaid balances. The Company’s lending policies allow for primarily first-lien mortgages that generally do not exceed 75% of the fair market value of the property allowing for sufficient excess collateral to absorb losses should the Company be required to foreclose and take possession of the collateral. The mortgage portfolio invests primarily in larger metropolitan areas across the U.S. and is diversified by type of property. Property and casualty insurance is required on all properties covered by mortgage loans at least equal to the excess of the loan over the maximum loan which would be permitted by law on the land without the buildings. Interest income on non-performing loans is generally recognized on a cash basis.

Policy loans

Policy loans are carried at unpaid principal balances.

Short-term investments

Short-term investments primarily consist of money market funds, direct reverse repurchase agreements, certain interest bearing deposits held by various commercial banks, certificates of deposit, and fixed income securities, stated at amortized cost, acquired with less than one year to maturity.

Derivative instruments

Derivative instruments consist of options, futures, interest rate floors, interest rate caps, foreign currency forwards and interest rate swaps. Derivative instruments are reported at fair value.

Other invested assets

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Other invested assets are primarily comprised of limited partnerships and certain investments held by VIE's in situations where the Company has been determined to be the primary beneficiary. Limited partnerships are recorded on the cost or equity method of accounting depending on the respective ownership percentage, ability to control or election to apply fair value accounting. In most cases, the carrying amounts represent the Company's share of the entity's underlying equity reported in its balance sheet. In situations where the Company has an ownership of less than 5%, the limited partnership is carried at cost. These investments are reviewed for impairment on a periodic basis. The aggregate carrying value of investments recorded on the cost method was \$5,615 and \$8,498 as of December 31, 2015 and 2014, respectively. Investments held by consolidated VIE's, which typically consist of equity investments, are reported at the values provided by the managers of each VIE.

Other-than-temporary impairment losses

The Company reviews its investments to determine if declines in value are other-than-temporary. If the fair value of a fixed maturity is less than its amortized cost basis or an equity security is less than its original cost basis at the balance sheet date, the Company must assess whether the impairment is other-than-temporary.

The Company evaluates factors in its assessment of whether a decline in value is other-than-temporary. Some of the factors evaluated include the issuer's ability to pay the amounts due according to the contractual terms of the investment. As well as the length of time and magnitude by which the fair value is less than amortized cost, adverse conditions specifically related to the security, changes to the rating of the security by a rating agency, changes in the quality of underlying credit enhancements and changes in the fair value of the security subsequent to the balance sheet date.

For fixed income securities, when an other-than-temporary impairment ("OTTI") has occurred, the amount of the impairment charged against earnings depends on whether the Company intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis. If the Company intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis, the entire impairment is recognized as a charge against earnings. If the Company does not intend to sell the security and it is not more likely than not it will be required to sell the security before recovery of its amortized cost basis, the impairment is bifurcated into a credit related loss and a non-credit related loss. The credit related loss is measured as the difference between the present value of cash flows expected to be collected from the debt security and the debt security's amortized cost. The amount of the credit related loss is recognized as a charge against earnings. The difference between the unrealized loss on the impaired debt security and the credit related loss charged against earnings is the non-credit related loss that is recognized in OCI.

The Company uses a single best estimate of cash flows approach and uses the effective yield prior to the date of impairment to calculate the present value of cash flows. The Company's assumptions for residential mortgage-backed securities, commercial mortgage-backed securities, other asset-backed securities and collateralized debt obligations include collateral pledged, scheduled interest payments, default levels, delinquency rates and the level of nonperforming assets for the remainder of the investments' expected term. The Company's assumptions for corporate and other fixed

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maturity securities include scheduled interest payments and an estimated recovery value, generally based on a percentage return of the current market value.

After an other-than-temporary write-down, the new cost basis is the prior amortized cost less the credit loss. The adjusted cost basis is generally not adjusted for subsequent recoveries in fair value. However, if the Company can reasonably estimate future cash flows after a write-down and the expected cash flows indicate some or all of the credit related loss will be recovered, the discount or reduced premium recorded is amortized over the remaining life of the security. Amortization in this instance is computed using the prospective method and is determined based on the current estimate of the amount and timing of future cash flows.

For equity securities, an other-than temporary impairment has occurred when the Company determines that it does not have the ability or intent to hold the security until a recovery of the original cost or the Company determines that the security will not recover to original cost within a reasonable amount of time. The Company determines what constitutes a reasonable amount of time on a security by security basis by considering all available evidence including the length of time and magnitude by which the fair value of the security is less than original cost.

During 2015, 2014 and 2013, the Company recorded \$120,462, \$53,031 and \$21,132, respectively, of realized losses as a result of OTTI. These losses are included in net impairment loss recognized in earnings in the consolidated statements of income.

Investment income

Investment income is recorded when earned and includes interest received and accrued, amortization of purchased premium and discounts on securities, certain proceeds from derivatives and equity earnings from limited partnerships. Net realized investment gains (losses) are determined on the basis of specific identification of the investments. Dividends are recorded on the ex-dividend date.

See Note 4 for further discussion of the Company's investments and investment income.

Cash

Cash consists of deposits held by various commercial and custodial banks and represent short term, highly liquid investments, which are readily convertible to cash. The Company treats certain accounts held by various commercial banks and money market accounts as short-term investments. The Company has deposits with certain financial institutions which exceed federally insured limits. The Company has reviewed the creditworthiness of these financial institutions and believes there is minimal risk of material loss.

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Derivatives and derivative instruments

The Company uses derivative instruments to manage its fixed indexed and policy obligation interest guarantees and interest rate and credit risks applicable to its investments. To mitigate these risks, the Company enters into interest rate agreements, interest rate floors, interest rate caps, futures contracts and equity indexed call and put options. To qualify for hedge accounting, the Company is required to formally document the hedging relationship at the inception of each derivative transaction. This documentation includes the specific derivative instrument, risk management objective, hedging strategy, identification of the hedged item, specific risk being hedged and how effectiveness will be assessed. To be considered an effective hedge, the derivative must be highly effective in offsetting the variability of the cash flows or the changes in fair value of the hedged item. Effectiveness is evaluated on a retrospective and prospective basis. As of December 31, 2015, the Company had no derivatives that qualify as effective hedges. The Company also uses foreign currency forwards to protect itself against currency fluctuations between trade and settlement dates on foreign financial instruments.

Derivative instruments are carried at fair value, with changes in derivative fair value related to non-hedge derivatives reflected as net gains (losses) on derivatives and derivative instruments in the consolidated statements of income.

The Company has certain reinsurance arrangements and fixed maturities containing embedded derivatives due to the incorporation of credit risk exposures that are not clearly and closely related to the creditworthiness of the obligor.

The agreements between the Company and its derivatives counterparties require the posting of collateral when the market value of the derivative instruments exceeds the cost of the instruments. Under guidelines implemented under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company or its counterparties are required to post initial and variation margin collateral for certain swap derivatives entered into on or after June 10, 2013. Collateral posted by counterparties is reported in the consolidated balance sheets in cash and fixed income securities with a corresponding liability reported in repurchase agreements, other borrowings and collateral on derivative instruments. Collateral posted by the Company is reported in the consolidated balance sheets as a component of other receivables, other assets and property, plant and equipment.

See Note 5 for further discussion of the Company's derivatives and derivative instruments.

Accrued investment income

Accrued investment income consists of amounts due on invested assets. It excludes amounts the Company does not expect to receive.

Deferred policy acquisition costs and present value of future profits of acquired businesses

Policy acquisition costs that vary with, and are related to the successful acquisition of new and renewal insurance contracts are deferred to the extent that such costs are deemed recoverable from future profits. The costs result directly from and are essential to the contract transaction and would not have been incurred by the Company had the contract transaction not occurred. Such costs include commissions, policy issuance, underwriting and medical inspection fees. For traditional

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insurance policies, such costs are amortized over the estimated premium paying period of the related policies in proportion to the ratio of the annual premium revenues to the total anticipated premium revenues. For interest sensitive policies, these costs are amortized over the lives of the policies in relation to the present value of actual and estimated gross profits. Recoverability of DAC is evaluated on an annual basis by comparing the current estimate of future profits to the unamortized asset balance.

The PVFP represents the portion of the purchase price of blocks of businesses that was allocated to the future profits attributable to the insurance in force at the dates of acquisition. The PVFP is amortized in relationship to the actual and expected emergence of such future profits. Based on current conditions and assumptions as to future events, the Company expects to amortize \$511, \$448, \$361, \$342, and \$364 of the existing PVFP over the next five years. Recoverability of the PVFP is evaluated periodically by comparing the current estimate of future profits to the unamortized asset balance.

See Note 9 for further discussion of the Company's DAC and PVFP.

Deferred sales inducements

The Company defers certain sales inducement costs. Sales inducements consist of premium bonuses and bonus interest on the Company's life and annuity products. The Company accounts and reports for certain sales inducements whereby capitalized costs are reported separately in the consolidated balance sheets and the amortization of the capitalized sales inducements is reported as a separate component of insurance benefits in the consolidated statements of income in accordance with authoritative guidance.

See Note 9 for further discussion of the Company's DSI.

Retrospective adjustments of DAC, DSI, and PVFP are made periodically upon revision of current or estimates of future gross profits on interest sensitive and investment-type products to be realized from a group of policies.

To the extent that unrealized investment gains or losses on available-for-sale securities would result in an adjustment to the amortization pattern of DAC and DSI had those gains or losses actually been realized, the adjustments are recorded directly to stockholders' equity through OCI as an offset to the unrealized investment gains or losses on available-for-sale securities.

Reinsurance receivables

Liabilities ceded to reinsurance companies and receivables related to obligations due from those reinsurers to the Company are reported as reinsurance receivables. Funds withheld liabilities and embedded derivatives associated with certain annuity coinsurance with funds withheld agreements are also reported as reinsurance receivables in the consolidated balance sheets. The Company uses reinsurance for risk mitigation on life and annuity products and, in certain cases, capital relief. The Company generally reinsures the excess of each individual risk over \$1,000 on ordinary life policies in order to spread its risk of loss. The Company remains contingently liable for the liabilities ceded in the event the reinsurers are unable to meet their obligations under the reinsurance agreements. To limit the possibility of such losses, the Company evaluates the

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financial condition of its reinsurers and monitors its concentration of credit risk. The Company generally reinsures with companies rated “A” or better by A.M. Best. The Company monitors these ratings on an on-going basis as it is at risk that a reinsurer may be downgraded after an agreement has been entered.

Separate account assets and liabilities

The separate accounts held by the Company are funds on which investment income and gains or losses accrue directly to certain policyholders. The assets of these accounts are legally separated and are not subject to the claims that may arise out of any other business of the Company. The Company reports its separate account assets at fair value. The underlying investment risks are assumed by the policyholders. The Company records the related liabilities at amounts equal to the fair value of the underlying assets. The Company reflects these assets and liabilities in separate account assets and liabilities in the consolidated balance sheets. The Company reports the fees earned for administrative and policyholder services performed for the separate accounts as a component of other income in the consolidated statements of income.

Policyholder liabilities

Policyholder liabilities (policyholder account balances, policy benefit reserves, policy claims and benefits payable) include account value for investment-type contracts as well as reserves for future policy benefits on life insurance contracts.

Policyholder reserves for annuity, universal life and other interest sensitive life insurance and investment contracts, reported in the consolidated balance sheets as policyholder account balances of \$36,381,071 and \$33,608,754 at December 31, 2015 and 2014, respectively, are determined using the retrospective deposit method. Policy reserves consist of the policyholder deposits and credited interest and fixed index credits less surrender charges as well as charges for mortality and policy administrative expenses. Interest crediting rates ranged primarily from 0.5% to 6.45% in 2015 and 0.75% to 6.45% in 2014. For annuity and life contracts with returns linked to performance of an underlying market index, policyholder reserves equal the combined fair value of the embedded derivative and the guaranteed component of the contract.

Policy benefit reserves for traditional life insurance policies reported in the consolidated balance sheets of \$1,613,143 and \$1,496,443 at December 31, 2015 and 2014, respectively, generally are computed by the net level premium method based on estimated future investment yield, mortality, morbidity and withdrawals that were appropriate at the time the policies were issued or acquired. Interest rate assumptions ranged from 5.75% to 9.00% in 2015 and 6.00% to 9.00% in 2014.

Included in the Company’s policyholder account value and policy benefit reserves are additional reserves held for certain long duration contracts where benefit features result in gains in early years followed by losses in later years as well as additional reserves for annuities with certain guaranteed minimum withdrawal or guaranteed minimum death benefits.

The liability for policy claims and benefits payable includes provisions for reported claims and estimates for claims incurred but not reported, based on the terms of the related policies and contracts and on prior experience. Claim liabilities are based on estimates and are subject to future

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changes in claim severity and frequency. Estimates are periodically reviewed and adjustments are reflected in benefits incurred in the consolidated statements of income.

Recognition of traditional life insurance revenue and policy benefits

Traditional life insurance products include those products with fixed and guaranteed premiums and benefits. Life insurance premiums are recognized as premium income when due. Benefits and expenses are associated with earned premiums so as to result in recognition of profits over the life of the contracts. This association is accomplished by means of the provision for policy benefit reserves and the amortization of DAC.

Recognition of revenue and policy benefits for interest sensitive life insurance products and investment contracts (“interest sensitive policies”)

Interest sensitive policies are issued on a periodic and single premium basis. Amounts collected are credited to policyholder account balances. Revenues from interest sensitive policies consist of charges assessed against policyholder account balances for the cost of insurance, policy administration, and surrender charges. Revenues also include investment income related to the investments that support the policyholder account balances. Policy benefits and claims that are charged to expense include benefits incurred in the period in excess of related policyholder account balances. Benefits also include interest and fixed index amounts credited to the account balances.

Repurchase agreements

As part of its investment strategy, the Company enters into repurchase agreements to increase the Company’s investment return. The Company accounts for these transactions as secured borrowings, where the amount borrowed is tied to the fair value of the underlying collateral securities. Repurchase agreements involve a sale of securities and an agreement to repurchase the same securities at a later date at an agreed-upon price. As of December 31, 2015 and 2014, there were \$2,876,442 and \$2,677,167, respectively, of such agreements outstanding. The collateral for these agreements is reported in fixed maturities in the consolidated balance sheets.

Income taxes

Prior to 2014, the Company and its eligible subsidiaries filed a consolidated Federal income tax return with SEI and its other eligible subsidiaries. The policy for intercompany allocation of Federal income taxes was that the Company computed the provision for income taxes on a separate return basis as if the Company and its eligible subsidiaries were filing their own consolidated return. The Company made payment to, or received payment from, SEI in the amount it would have paid to, or received from, the Internal Revenue Service (“IRS”) had it filed a consolidated tax return with only its own subsidiaries.

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The Company recognized deferred income tax assets and liabilities for the expected future tax effects attributable to temporary differences between the financial statement and tax return bases of assets and liabilities, based on enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. The effect of a change in tax laws or rates on deferred tax assets and liabilities was recognized in income in the period in which such change is enacted. Deferred tax assets were reduced by a valuation allowance if it is more likely than not that all or some portion of the deferred tax assets will not be realized.

If applicable, the Company's liability for income taxes would include a liability for unrecognized tax benefits, interest and penalties which relate to tax years still subject to review by the IRS or other taxing jurisdictions. The Company recognizes tax benefits only on tax positions where it is more likely than not to prevail if reviewed by the IRS or another taxing authority.

Comprehensive income

Comprehensive income for the Company includes net income and OCI, which includes changes in pension liability and post-retirement liability, net unrealized investment gains (losses) on available-for-sale securities, and non-credit portion of OTTI losses.

2. EFFECTS OF NEW AUTHORITATIVE GUIDANCE

Recently adopted authoritative guidance

Comprehensive income update

In February 2013, the FASB issued an update to improve the reporting of reclassifications out of accumulated OCI. The update does not change the current requirements for reporting net income or OCI in financial statements. The update requires an entity to report the effect of significant reclassifications out of accumulated OCI on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For amounts not required under U.S. GAAP to be reclassified in their entirety in the same reporting period, an entity must cross-reference other disclosures required under U.S. GAAP that provide additional detail about these amounts. This guidance became effective beginning January 1, 2014. Other than the additional disclosure, the adoption of the guidance did not have any impact on the consolidated financial statements.

Income taxes

In July 2013, the FASB issued guidance regarding the disclosure presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance states that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, when settlement in that manner is available under the tax law. This guidance became effective beginning January 1, 2014. The adoption of the guidance did not have any impact on the consolidated financial statements.

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Repurchase Agreements

In June 2014, the FASB issued guidance requiring enhanced disclosures regarding repurchase agreements, repurchase to maturity and securities lending transactions. The additional disclosures required include (1) a disaggregation of the gross obligation by the class of collateral pledged, (2) the remaining maturity of the repurchase agreements, (3) a discussion of potential risks associated with the agreements and collateral pledged. The new guidance is effective for the Company beginning January 1, 2015. Other than additional disclosures, the adoption of this guidance did not have any impact on the consolidated financial statements.

Recently issued authoritative guidance

Consolidation

In February 2015, the FASB issued an update to the consolidation guidance VIE. The updated guidance changes the evaluation process and criteria in determining whether an identified VIE is required to be consolidated in the Company's consolidated financial statements and disclosures. The new guidance will be effective beginning January 1, 2017. The Company is currently assessing the impact of the new guidance on its consolidated financial statements.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the FASB issued guidance requiring changes to the balance sheet presentation of debt issuance costs. The change requires that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability. The new guidance is effective January 1, 2016. The guidance is not expected to have a material impact on the Company's financial statements.

Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share

In May 2015, the FASB issued guidance which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The new guidance will be effective beginning January 1, 2017. The guidance is not expected to have a material impact on the Company's financial statements.

Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the FASB issued updated guidance regarding the recognition of financial assets and liabilities. The updated guidance requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation) to be measured at fair value with changes in fair value recognized in net income. The guidance also eliminates the requirement to disclose fair value of financial instruments measured at amortized cost as well as requires the separate presentation of financial assets and liabilities by measurement category and form of financial asset on the balance sheet. The new guidance will be effective beginning January 1, 2019. The Company is currently assessing the impact of the new guidance on its consolidated financial statements.

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3. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value and estimated fair value of the Company's financial instruments are as follows:

	December 31, 2015		December 31, 2014	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial assets:				
Available-for-sale:				
Fixed maturities	\$ 36,370,496	\$ 36,370,496	\$ 35,004,141	\$ 35,004,141
Equity securities	486,423	486,423	629,968	629,968
Mortgage loans	4,411,801	4,392,491	2,946,469	2,920,819
Short-term investments	802,297	802,297	681,352	681,352
Derivative instruments	363,853	363,853	607,805	607,805
Other invested assets	864,934	869,596	977,601	989,362
Reinsurance receivables:				
Investment-type insurance contracts ceded	1,403,875	971,902	1,605,740	1,103,269
Separate account assets	1,450,499	1,450,499	1,279,865	1,279,865
Financial liabilities:				
Policyholder account balances:				
Investment-type insurance contracts	24,648,214	22,716,965	20,247,533	18,531,572
Repurchase agreements, other borrowings and collateral on derivative instruments	4,266,694	4,266,694	4,049,716	4,049,716
Notes payable	383,440	398,576	383,440	383,440
Other liabilities - derivative instruments	59	59	2,485	2,485

Fair value measurements

Fair value is based on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value guidance also establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Company determines the fair value of its investments, in the absence of observable market prices, using the valuation methodologies described below applied on a consistent basis. For some investments, market activity may be minimal or nonexistent and management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's own assumptions, which involves a significant degree of judgment.

Investments for which market prices are not observable are generally private investments, securities valued using non-binding broker quotes or securities with very little trading activity. Fair values of private investments are determined by reference to public market or private transactions

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or valuations for comparable companies or assets in the relevant asset class when such amounts are available. If these are not available, a discounted cash flow analysis using interest spreads adjusted for the maturity/average life differences may be used. Spread adjustments are intended to reflect an illiquidity premium and take into account a variety of factors including but not limited to senior unsecured versus secured, par amount outstanding, number of holders, maturity, average life, composition of lending group, debt rating, credit default spreads, default rates and credit spreads applicable to the security sector. These valuation methodologies involve a significant degree of judgment.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories.

Level 1 – Quoted prices are available in active markets that the Company has the ability to access for identical financial instruments as of the reporting date. The types of financial instruments included in Level 1 are listed equities, mutual funds, money market funds, non-interest bearing cash, exchange traded futures and options, and separate account assets. As required by the fair value measurements guidance, the Company does not adjust the quoted price for these financial instruments, even in situations where it holds a large position and a sale could reasonably impact the quoted price.

Level 2 – Fair values are based on quoted prices for identical assets or liabilities in active and inactive markets. Inactive markets involve few transactions for identical assets or liabilities and the prices are not current or price quotations vary substantially over time or among market makers, which would include some broker quotes. Level 2 inputs also include corroborated market data such as interest rate spreads, yield curves, volatilities, prepayment speeds, credit risks and default rates. Financial instruments that are generally included in this category include corporate bonds, asset-backed securities, CMOs, short-term securities, less liquid and restricted equity securities and over-the-counter derivatives.

Level 3 – Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. These inputs may reflect the Company's estimates of the assumptions that market participants would use in valuing the financial instruments. Financial instruments that are included in this category generally include private corporate securities, collateralized debt obligations and indexed life and annuity embedded derivatives.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. From time to time there may be movements between levels as inputs become more or less observable, which may depend on several factors including the activity of the market for the specific security, the activity of the market for similar securities, the level of risk spreads and the source of the information from which the Company obtains the information. Transfers in or out of any level are measured as of the beginning of the period.

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The Company relies on third party pricing services and independent broker quotes to value fixed maturity and equity securities. The third party pricing services use discounted cash flow models or the market approach to value the securities when the securities are not traded on an exchange. The following characteristics are considered in the valuation process: benchmark yields, reported trades, issuer spreads, bids, offers, benchmark and comparable securities, estimated cash flows and prepayment speeds.

The Company performs both quantitative and qualitative analysis of the prices. The review includes initial and ongoing review of the third party pricing methodologies, back testing of recent trades, and review of pricing trends and statistics.

The following tables summarize the valuation of the Company's financial instruments carried at fair value in the consolidated balance sheets as of December 31, 2015 and 2014 by the fair value hierarchy levels defined in the fair value measurements guidance. Methods and assumptions used to determine the fair values are described in Note 1:

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	December 31, 2015			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets (carried at fair value):				
Fixed maturities:				
U.S. government and agencies	\$ -	\$ 3,347,385	\$ -	\$ 3,347,385
Municipal securities	-	4,790,991	-	4,790,991
Corporate securities	-	13,876,316	932,756	14,809,072
Residential mortgage-backed securities	-	2,908,262	85,676	2,993,938
Commercial mortgage-backed securities	-	1,791,580	12,099	1,803,679
Asset-backed securities	-	5,843,686	2,608,425	8,452,111
Other debt obligations	-	12,466	160,854	173,320
Total fixed maturities	-	32,570,686	3,799,810	36,370,496
Equity securities:				
Financial services	38,460	164,726	4,171	207,357
Other	77,716	185,840	15,510	279,066
Total equity securities	116,176	350,566	19,681	486,423
Derivative instruments:				
Options	-	158,876	-	158,876
Interest rate swaps, interest rate floors and interest rate caps	-	60,273	-	60,273
Foreign exchange derivatives	-	1,234	-	1,234
Futures	143,470	-	-	143,470
Total derivative instruments	143,470	220,383	-	363,853
Reinsurance receivables - embedded derivatives from reinsurance ceded:				
Indexed annuity products ceded	-	-	765,194	765,194
Annuity funds withheld and modco	-	-	361,718	361,718
Total reinsurance receivables	-	-	1,126,912	1,126,912
Separate account assets	1,450,499	-	-	1,450,499
Financial liabilities (carried at fair value):				
Policyholder account balances - indexed life and annuity embedded derivatives				
	\$ -	\$ -	\$ 3,652,206	\$ 3,652,206
Other liabilities - derivative instruments:				
Foreign exchange derivatives	-	59	-	59

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	December 31, 2014			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets (carried at fair value):				
Fixed maturities:				
U.S. government and agencies	\$ -	\$ 2,807,447	\$ -	\$ 2,807,447
Municipal securities	-	4,646,798	4,237	4,651,035
Corporate securities	-	14,255,710	813,167	15,068,877
Residential mortgage-backed securities	-	3,187,126	122,039	3,309,165
Commercial mortgage-backed securities	-	1,656,970	8,415	1,665,385
Asset-backed securities	-	4,420,231	2,885,885	7,306,116
Other debt obligations	-	13,086	183,030	196,116
Total fixed maturities	-	30,987,368	4,016,773	35,004,141
Equity securities:				
Financial services	41,893	295,891	7,661	345,445
Other	98,519	184,373	1,631	284,523
Total equity securities	140,412	480,264	9,292	629,968
Derivative instruments:				
Options	-	235,704	-	235,704
Interest rate swaps and interest rate floors	-	72,451	-	72,451
Foreign exchange derivatives	-	3,635	-	3,635
Futures	296,015	-	-	296,015
Total derivative instruments	296,015	311,790	-	607,805
Reinsurance receivables - embedded derivatives from reinsurance ceded:				
Indexed annuity products ceded	-	-	891,676	891,676
Annuity funds withheld and modco	-	-	300,017	300,017
Total reinsurance receivables	-	-	1,191,693	1,191,693
Separate account assets	1,279,865	-	-	1,279,865
Financial liabilities (carried at fair value):				
Policyholder account balances - indexed life and annuity embedded derivatives	\$ -	\$ -	\$ 3,891,058	\$ 3,891,058
Other liabilities - derivative instruments:				
Interest rate swaps	-	2,485	-	2,485

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The following tables summarize certain financial instruments categorized as Level 3 by valuation methodology as of December 31, 2015 and 2014:

	December 31, 2015		
	Third-party Source	Priced Internally	Total
Fixed maturities:			
Corporate securities	\$ -	\$ 932,756	\$ 932,756
Residential mortgage-backed securities	-	85,676	85,676
Commercial mortgage-backed securities	-	12,099	12,099
Asset-backed securities	-	2,608,425	2,608,425
Other debt obligations	-	160,854	160,854
Total fixed maturities	-	3,799,810	3,799,810
Equity securities:			
Financial services	-	4,171	4,171
Other	-	15,510	15,510
Total equity securities	-	19,681	19,681
Reinsurance receivables - embedded derivatives from reinsurance ceded:			
Indexed annuity products ceded	-	765,194	765,194
Annuity funds withheld and modco	-	361,718	361,718
Total reinsurance receivables	-	1,126,912	1,126,912
Policyholder account balances - indexed life and annuity embedded derivatives	\$ -	\$ 3,652,206	\$ 3,652,206

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	December 31, 2014		
	Third-party Source	Priced Internally	Total
Fixed maturities:			
Municipal securities	\$ -	\$ 4,237	\$ 4,237
Corporate securities	-	813,167	813,167
Residential mortgage-backed securities	-	122,039	122,039
Commercial mortgage-backed securities	-	8,415	8,415
Asset-backed securities	-	2,885,885	2,885,885
Other debt obligations	-	183,030	183,030
Total fixed maturities	-	4,016,773	4,016,773
Equity securities:			
Financial services	-	7,661	7,661
Other	-	1,631	1,631
Total equity securities	-	9,292	9,292
Reinsurance receivables - embedded derivatives from reinsurance ceded:			
Indexed annuity products ceded	-	891,676	891,676
Annuity funds withheld and modco	-	300,017	300,017
Total reinsurance receivables	-	1,191,693	1,191,693
Policyholder account balances - indexed life and annuity embedded derivatives	\$ -	\$ 3,891,058	\$ 3,891,058

Included in the December 31, 2015 Level 3 fixed maturities are private asset-backed securities, categorized as asset-backed securities, with unique fair value considerations. The private asset-backed securities consist of thirty-six securities with a par value of \$1,760,629 and the fair value of \$1,670,318. These securities were structured by the Company's investment advisor Guggenheim Partners Investment Management ("GPIM"), an affiliate, between 2006 and 2009. The market for these securities is very limited and, as a result, there is a lack of observable market inputs. These securities are supported by invested assets held in trusts. The invested assets typically consist of a zero coupon U.S. Government or Government Agency security that has a par value and maturity equal to the par value and maturity of the applicable asset-backed security. The interest obligation applicable to these securities is supported by the remaining assets held in the trust. As a note holder in these trusts, the Company does not have access to detailed information about the underlying collateral in the trusts. As such, the Company makes certain assumptions regarding the underlying collateral in order to determine a fair value for these securities.

The Company has developed internal pricing models to determine the fair values of the private asset-backed securities. The internal models use cash flow projections with input assumptions consistent with market estimates for AA+/Aaa structured finance securities. The models assume limited liquidity and include assumptions regarding the collateral underlying the interest obligations due to the Company's limited access to information on the collateral.

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Quantitative Information Regarding Level 3 Assets and Liabilities

The following table summarizes significant Level 3 Assets and Liabilities:

December 31, 2015				
	<u>Fair Value</u>	<u>Valuation Techniques</u>	<u>Unobservable Input</u>	<u>Range (Weighted Average)</u>
Financial assets:				
Fixed maturities:				
Asset backed securities	\$ 2,608,425	Discounted cash flow	Spread over swaps	2.18% - 11.58% (3.81%)
			Spread over LIBOR	2.50% - 3.89% (2.65%)
			Discount rate	3.53% - 20% (8.40%)
		Recent Trade	Recent trade price	100.00 - 100.00 (100.00)
		Net Asset Value	Net asset value	120.00 - 120.00 (120.00)
Corporate securities	932,756	Discounted cash flow	Spread over LIBOR	1.95% - 7.51% (3.36%)
			Discount rate	6.95% - 31.76% (10.44%)
			Spread over treasury	2.10% - 3.80% (3.48%)
		Call Date	Near Call Date	100.00% - 102.00% (100.77%)
		Matrix model	EBITDA multiple	7.0 - 22.8 (11.47)
		Recent trade	Recent trade price	29.37 - 100 (75.89)
Reinsurance receivables- embedded derivatives from reinsurance ceded:				
Annuity funds withheld and modco	361,718	Total return swap	Mortality	1% - 10% (2%)
			Surrender	1% - 23% (9%)
			Withdrawal	0% - 71% (5%)
			Credited rate	2% - 3% (3%)
			Own credit	1.53%
Indexed annuity products ceded	765,194	Discounted cash flow	Lapse	50%
			Withdrawal	20%
			Credit risk	1.53%
Financial liabilities:				
Policyholder account balances				
Indexed life and annuity embedded derivatives	3,652,206	Discounted cash flow	Mortality	0% - 20% (1%)
			Lapse	20% - 50% (48%)
			Withdrawal	0% - 20% (19%)
			Credit risk	1.53% - 1.71% (1.54%)

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December 31, 2014				
	Fair Value	Valuation Techniques	Unobservable Input	Range (Weighted Average)
Financial assets:				
Fixed maturities:				
Asset backed securities	\$ 3,064,504	Discounted cash flow	Spread over swaps	2.10% - 2.98% (2.24%)
			Spread over LIBOR	1.84% - 15.12% (3.46%)
			Discount Rate	2.7% - 5.32% (3.91%)
			Vendor spread pricing	2.8% - 4.14% (3.05%)
		Recent trade	Recent trade price	100 - 100 (100)
		Cap at call or maturity price	Call or maturity value	99.72 - 99.72 (99.72)
Corporate securities	758,726	Discounted cash flow	Discount rate	3.27% - 22.75% (5.14%)
			Vendor spread pricing	3.30% - 4.95% (3.73%)
			Spread over swaps	2.38% - 2.38% (2.38%)
			Spread over LIBOR	6.50% - 6.50% (6.50%)
		Matrix model	EBITDA multiple	3.50 - 11.60 (7.40)
			Spread over treasury	2.60% - 2.60% (2.60%)
		Recent trade	Recent trade price	59 - 100 (95.98)
		Credit tenant loan model	Spread over treasury	2.60% - 2.60% (2.60%)
Reinsurance receivables- embedded derivatives from reinsurance ceded:				
Annuity funds withheld and modco	132,102	Total return swap	Mortality	1% - 8% (3%)
			Surrender	2% - 14% (7%)
			Withdrawal	0% - 4% (2%)
			Credited rate	2% - 3% (3%)
			Own credit	1.59%
Indexed annuity products ceded	891,676	Discounted cash flow	Lapse	50%
			Withdrawal	20%
			Credit risk	1.59%
Financial liabilities:				
Policyholder account balances				
Indexed life and annuity embedded derivatives	3,891,058	Discounted cash flow	Mortality	0% - 20% (1%)
			Lapse	20% - 50% (49%)
			Withdrawal	0% - 20% (19%)
			Credit risk	1.59% - 1.72% (1.60%)

The changes in financial instruments measured at fair value, excluding accrued interest income, for which Level 3 inputs were used to determine fair value during 2015 and 2014 are as follows:

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	December 31, 2015							
		Realized and Unrealized Gains (Losses)					Transfers in and/or out of Level 3 ^(A)	Ending
	Beginning Balance	Included in Net Income	Included in OCI	Purchases	Sales	Issuances and Settlements		Balance
Financial assets (carried at fair value):								
Fixed maturities:								
Municipal securities	\$ 4,237	\$ -	\$ (122)	\$ -	\$ -	\$ -	\$ (4,115)	\$ -
Corporate securities	813,167	(13,127)	445	447,071	(118,542)	-	(196,258)	932,756
Residential mortgage-backed securities	122,039	454	(150)	-	(29,601)	-	(7,066)	85,676
Commercial mortgage-backed securities	8,415	-	159	12,099	(268)	-	(8,306)	12,099
Asset-backed securities	2,885,885	(24,764)	(36,476)	333,208	(364,680)	-	(184,748)	2,608,425
Other debt obligations	183,030	136	(3,319)	-	(18,993)	-	-	160,854
Total fixed maturities	4,016,773	(37,301)	(39,463)	792,378	(532,084)	-	(400,493)	3,799,810
Equity securities:								
Financial services	7,661	-	(3,490)	-	-	-	-	4,171
Other	1,631	(2,692)	(7,038)	23,641	(32)	-	-	15,510
Total equity securities	9,292	(2,692)	(10,528)	23,641	(32)	-	-	19,681
Reinsurance receivables - embedded derivatives from reinsurance ceded								
Indexed annuity products ceded	891,676	(127,401)	-	-	-	919	-	765,194
Annuity funds withheld and modco	300,017	(12,552)	-	-	-	74,253	-	361,718
Total reinsurance receivables	1,191,693	(139,953)	-	-	-	75,172	-	1,126,912
Financial liabilities (carried at fair value):								
Policyholder account balances - indexed life and annuity embedded derivatives ^(B)	3,891,058	510,590	-	-	-	(271,738)	-	3,652,206

^(A) Included in the transfers in and/or out column above is \$409,051 of securities priced using unobservable data at December 31, 2014 that were valued by a pricing service using observable market data at December 31, 2015, and \$8,558 of securities transferred into Level 3 that did not have enough observable data to include in Level 2 at December 31, 2015.

^(B) Excludes host accretion and the timing of crediting index credits to policyholder, which are included in interest credited to policyholder account balances in the consolidated statements of income.

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	December 31, 2014							
		Realized and Unrealized Gains (Losses)					Transfers in and/or out of Level 3 ^(A)	Ending
	Beginning	Included in	Included in	Purchases	Sales	Issuances and		Balance
	Balance	Net Income	OCI			Settlements		
Financial assets (carried at fair value):								
Fixed maturities:								
Municipal securities	\$ 13,790	\$ -	\$ 2,558	\$ -	\$ -	\$ -	\$ (12,111)	\$ 4,237
Corporate securities	758,726	(46,638)	35,093	411,804	(243,544)	-	(102,274)	813,167
Residential mortgage-backed securities	183,210	828	11,375	-	(36,919)	-	(36,455)	122,039
Commercial mortgage-backed securities	114	(169)	56	-	-	-	8,414	8,415
Asset-backed securities	3,064,504	(12,930)	28,497	396,442	(399,979)	-	(190,649)	2,885,885
Other debt obligations	173,531	163	7,589	-	(20,874)	-	22,621	183,030
Total fixed maturities	4,193,875	(58,746)	85,168	808,246	(701,316)	-	(310,454)	4,016,773
Equity securities:								
Financial survives	4,171	-	3,490	-	-	-	-	7,661
Other	79,508	(5,577)	(72,300)	-	-	-	-	1,631
Total equity securities	83,679	(5,577)	(68,810)	-	-	-	-	9,292
Reinsurance receivables - embedded derivatives from reinsurance ceded								
Indexed annuity products ceded	772,353	1,955	-	-	-	117,368	-	891,676
Annuity funds withheld and modco	132,102	86,201	-	-	-	81,714	-	300,017
Total reinsurance receivables	904,455	88,156	-	-	-	199,082	-	1,191,693
Financial liabilities (carried at fair value):								
Policyholder account balances - indexed life and annuity embedded derivatives ^(B)	3,206,203	22,612	-	-	-	(707,467)	-	3,891,058

^(A) Included in the transfers in and/or out column above is \$441,106 of securities priced using unobservable data at December 31, 2014 that were valued by a pricing service using observable market data at December 31, 2014, and \$130,656 of securities transferred into Level 3 that did not have enough observable data to include in Level 2 at December 31, 2014.

^(B) Excludes host accretion and the timing of crediting index credits to policyholder, which are included in interest credited to policyholder account balances in the consolidated statements of income.

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The total gains (losses) included in earnings related to financial instruments categorized at Level 3 still held at December 31, 2015, 2014 and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Financial assets (carried at fair value):			
Fixed maturities:			
Corporate securities	\$ (13,127)	\$ (47,602)	\$ 114
Residential mortgage-backed securities	-	-	(6)
Commercial mortgage-backed securities	-	-	(27)
Asset-backed securities	(356)	-	-
Other debt obligations	38	35	101
Total fixed maturities	<u>(13,445)</u>	<u>(47,567)</u>	<u>182</u>
Equity securities			
Other	<u>(2,721)</u>	<u>(5,577)</u>	-
Total equity securities	<u>(2,721)</u>	<u>(5,577)</u>	-
Reinsurance receivables - embedded derivatives from reinsurance ceded:			
Indexed annuity products ceded	(127,401)	1,955	12,222
Annuity funds withheld and modco	<u>(12,552)</u>	<u>86,201</u>	<u>56,961</u>
Total reinsurance receivables	<u>(139,953)</u>	<u>88,156</u>	<u>69,183</u>
Financial liabilities (carried at fair value):			
Policy account balances - indexed life and annuity embedded derivatives	510,590	22,612	(84,587)

The following table shows the investments which are included in other invested assets (primarily limited partnerships, private and residual equity investments) in the consolidated balance sheets:

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Fixed income	\$ 694,439	\$ 64,387	\$ 789,286	\$ 70,637
Private equity	78,685	242,261	73,479	39,195
Real estate	8,959	14,560	18,080	1,818
Residual equity	61,734	-	80,455	-
Other	<u>25,779</u>	<u>-</u>	<u>28,062</u>	<u>-</u>
	<u>\$ 869,596</u>	<u>\$ 321,208</u>	<u>\$ 989,362</u>	<u>\$ 111,650</u>

Limited partnership interests are not redeemable at specific time periods. The Company receives periodic distributions from these investments while maintaining the investment for the long-term.

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4. INVESTMENTS AND NET INVESTMENT INCOME

Available-for-sale securities

The amortized cost, gross unrealized gains, gross unrealized losses and estimated fair value of fixed maturities and equity securities classified as available-for-sale at December 31, 2015 and 2014 are as follows:

	December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed maturities				
U.S. government and agencies	\$ 3,212,023	\$ 162,258	\$ 26,896	\$ 3,347,385
Municipal securities	4,211,693	588,124	8,826	4,790,991
Corporate securities	14,347,534	727,302	265,764	14,809,072
Residential mortgage- backed securities	2,779,952	235,717	21,731	2,993,938
Commercial mortgage- backed securities	1,791,474	37,667	25,462	1,803,679
Asset-backed securities	8,506,177	134,011	188,077	8,452,111
Other debt obligations	159,762	13,735	177	173,320
Total fixed maturities	35,008,615	1,898,814	536,933	36,370,496
Equity securities				
Financial services	197,508	11,080	1,231	207,357
Other	203,728	84,269	8,931	279,066
Total equity securities	401,236	95,349	10,162	486,423
Total available-for-sale	<u>\$35,409,851</u>	<u>\$ 1,994,163</u>	<u>\$ 547,095</u>	<u>\$36,856,919</u>

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	December 31, 2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Fixed maturities				
U.S. government and agencies	\$ 2,601,114	\$ 219,939	\$ 13,606	\$ 2,807,447
Municipal securities	3,979,759	676,745	5,469	4,651,035
Corporate securities	14,059,704	1,095,181	86,008	15,068,877
Residential mortgage- backed securities	3,059,339	274,826	25,000	3,309,165
Commercial mortgage- backed securities	1,614,914	54,525	4,054	1,665,385
Asset-backed securities	7,201,644	172,351	67,879	7,306,116
Other debt obligations	179,591	16,801	276	196,116
Total fixed maturities	32,696,065	2,510,368	202,292	35,004,141
Equity securities				
Financial services	341,876	13,612	10,043	345,445
Other	174,984	111,078	1,539	284,523
Total equity securities	516,860	124,690	11,582	629,968
Total available-for-sale	<u>\$33,212,925</u>	<u>\$ 2,635,058</u>	<u>\$ 213,874</u>	<u>\$35,634,109</u>

The amortized cost and estimated fair value of available-for-sale fixed maturities at December 31, 2015 and 2014, by contractual maturity, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties:

	2015		2014	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 208,041	\$ 211,774	\$ 310,143	\$ 312,950
Due after one year through five years	3,124,202	3,328,072	2,296,310	2,526,243
Due after five years through ten years	7,034,055	7,198,797	7,407,285	7,828,444
Due after ten years	12,726,657	13,528,483	11,934,126	13,191,234
Securities not due at a single maturity date (primarily mortgage-backed securities)	11,915,660	12,103,370	10,748,201	11,145,270
Total fixed maturities	<u>\$ 35,008,615</u>	<u>\$ 36,370,496</u>	<u>\$ 32,696,065</u>	<u>\$ 35,004,141</u>

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Gross unrealized losses

The Company's gross unrealized losses and fair value on its available-for-sale securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

	December 31, 2015					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturities:						
U.S. government and agencies	\$ 683,649	\$ 13,504	\$ 396,868	\$ 13,392	\$ 1,080,517	\$ 26,896
Municipal securities	380,318	7,689	49,438	1,137	429,756	8,826
Corporate securities	3,979,847	152,794	1,259,222	112,970	5,239,069	265,764
Residential mortgage-backed securities	260,689	2,841	360,685	18,890	621,374	21,731
Commercial mortgage-backed securities	416,747	12,982	336,270	12,480	753,017	25,462
Asset-backed securities	3,801,619	107,341	2,246,636	80,736	6,048,255	188,077
Other debt obligations	7,367	-	17,366	177	24,733	177
Total fixed maturities	9,530,236	297,151	4,666,485	239,782	14,196,721	536,933
Equity securities:						
Financial services	29,218	661	13,749	570	42,967	1,231
Other	43,661	7,376	53,629	1,555	97,290	8,931
Total equity securities	72,879	8,037	67,378	2,125	140,257	10,162
Total available-for-sale	\$ 9,603,115	\$ 305,188	\$ 4,733,863	\$ 241,907	\$ 14,336,978	\$ 547,095

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	December 31, 2014					
	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Fixed maturities:						
U.S. government and agencies	\$ 21,485	\$ 75	\$ 515,441	\$ 13,531	\$ 536,926	\$ 13,606
Municipal securities	9,257	97	64,735	5,372	73,992	5,469
Corporate securities	705,896	21,629	1,268,820	64,379	1,974,716	86,008
Residential mortgage-backed securities	25,137	151	475,062	24,849	500,199	25,000
Commercial mortgage-backed securities	83,452	559	346,016	3,495	429,468	4,054
Asset-backed securities	1,566,158	16,890	1,299,485	50,989	2,865,643	67,879
Other debt obligations	-	-	18,390	276	18,390	276
Total fixed maturities	2,411,385	39,401	3,987,949	162,891	6,399,334	202,292
Equity securities:						
Financial services	38,892	8,978	13,254	1,065	52,146	10,043
Other	54,693	1,013	253	526	54,946	1,539
Total equity services	93,585	9,991	13,507	1,591	107,092	11,582
Total available-for-sale	\$ 2,504,970	\$ 49,392	\$ 4,001,456	\$ 164,482	\$ 6,506,426	\$ 213,874

At December 31, 2015, the Company held 8,299 positions in fixed income and equity securities. The above table includes 1,154 securities of 836 issuers as of December 31, 2015. At December 31, 2015, 81% of the unrealized losses on fixed maturities were securities rated investment grade. Investment grade securities are defined as those securities rated AAA through BBB – by Standard & Poor's. At December 31, 2015, 19% of the unrealized losses on fixed maturities were on securities rated below investment grade. Equity securities in the above table consist primarily of non-redeemable preferred stocks and an exchange listed common stock. These securities are reviewed for impairment in the same manner as the fixed income securities. At December 31, 2015, fixed income and equity securities in an unrealized loss position had fair value equal to approximately 96% of amortized cost.

The following summarizes the unrealized losses by investment category as of December 31, 2015.

U.S. Government and agencies

The U. S. government and agencies represents 5% of the unrealized losses at December 31, 2015. The total unrealized losses in this category have increased modestly at December 31, 2015 compared to December 31, 2014. The unrealized losses are applicable to securities with yields lower than the market yield available on similar securities at December 31, 2015. The table above indicates over half of the unrealized losses have been in an unrealized loss position for twelve months or less. These unrealized losses are due to the rise in market interest rates during 2015 from year end 2014 levels. At this time the Company believes these impairments are temporary and the Company does not intend or believe it will be required to sell these securities before recovery of its amortized cost.

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Municipal securities

The municipal category, which represents 2% of the unrealized losses at December 31, 2015, includes bonds issued by state and local governments and school district tax credit bonds. The total unrealized losses in this category have increased modestly at December 31, 2015 compared to December 31, 2014. The unrealized losses in this category are primarily the result of concerns regarding possible defaults by state and local governments, including the Commonwealth of Puerto Rico. The Company recognized impairment losses of \$7,224 during 2015 on certain securities backed by sales tax revenues issued by the Commonwealth of Puerto Rico. The impaired securities are not in default but the Company has recognized the impairment losses due to concerns related to the length of time anticipated to resolve the rights of the variance creditors of the Commonwealth. The Company does not believe there will be significant defaults in this sector in the short or long-term. With the exception of the Commonwealth of Puerto Rico securities previously discussed, the Company believes it will receive all amounts contractually due and it does not intend or believe it will be required to sell these securities prior to recovery of amortized cost, therefore additional impairment losses have not been recognized in this sector.

Corporate securities

Corporate securities represent the largest category of unrealized losses at December 31, 2015 representing 48% of unrealized losses. The total unrealized losses in this category have increased significantly at December 31, 2015 compared to December 31, 2014. The unrealized losses in this category that have been in an unrealized loss position for less than twelve months have increased significantly as of December 31, 2015 compared to December 31, 2014. This increase is primarily attributable to reduced fair values of energy, financial institution (primarily banking) and military housing related securities and increased market interest rate spreads on all corporate securities. The Company has recognized \$38,833 in energy related impairment losses during 2015. The Company has reviewed its remaining energy related securities and has concluded any unrealized losses are temporary as of December 31, 2015. The Company recognized corporate securities impairment losses, including the aforementioned energy related impairment losses, of \$58,748 and \$46,808 for the years ended December 31, 2015 and 2014, respectively. The non-energy related impairment losses are primarily attributable to several private bank loans. The impairment losses recognized in 2014 were principally related to a restructuring by a specialty retailer and defaults on debt issued by a gaming company. The Company has reviewed the other unrealized losses in the corporate securities sector and believes the impairments are temporary and the Company does not intend to sell or believe it will be required to sell these securities before recovery of each security's amortized cost.

Residential mortgage-backed securities ("RMBS")

The unrealized losses on RMBS, which represents 4% of unrealized losses at December 31, 2015, are concentrated in the non-agency sector. The total unrealized losses in this category have decreased at December 31, 2015 compared to December 31, 2014. A substantial majority of the unrealized losses at December 31, 2015 are in the twelve months or more category. These unrealized losses are primarily attributable to the increase in market interest rates in this sector during 2014 and 2015 from previous levels. The Company performs various stress tests on the cash flow projections for these securities and in situations where it is determined the projected cash flows cannot support the contractual amounts due the Company, an impairment loss is recognized. In situations where the projected cash flows indicate the Company will receive the amounts it is contractually due and the Company does not intend or believe it will be required to sell these securities before recovery of its amortized cost, an impairment loss is not recognized. The Company recognized no impairment losses on RMBS during the years ended December 31, 2015 and 2014.

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Commercial mortgage-backed securities ("CMBS")

The unrealized losses on CMBS, which represents 5% of unrealized losses at December 31, 2015, are primarily attributable to illiquidity applicable to certain securities in that sector and concerns regarding the potential for future commercial mortgage defaults. The total unrealized losses in this category have increased significantly at December 31, 2015 compared to December 31, 2014. The Company has reviewed payment performance, delinquency rates, and credit enhancements within the security structures and monitored the credit ratings of all its CMBS holdings. The Company has performed cash flow projection analyses on all of its CMBS and in those situations where it appears the Company will receive all amounts contractually due and it does not intend to sell or believe it will be required to sell these securities prior to recovery of amortized cost, an impairment loss is not recognized.

Asset-backed securities ("ABS")

The unrealized losses in ABS, which represents 34% of unrealized losses at December 31, 2015, are primarily related to collateralized debt obligations backed by various consumer and commercial finance loans. This category also includes structured notes backed by diversified investment portfolios. In addition, the Company has recognized unrealized losses applicable to private ABS securities within this category, which losses are primarily included in the less than twelve months category. The unrealized losses are primarily due to wide credit spreads in this sector, particularly related to private ABS. The unrealized losses in this category have increased in both the less than 12 month and 12 months or more categories primarily as a result of the widening of credit spreads. The Company stress tests the projected cash flows of its ABS and recognizes impairment losses in situations where the testing indicates the Company will not receive all amounts contractually due from the securities. This category also includes fixed income securities containing embedded derivatives. The Company recognized ABS impairment losses of \$10,870 and \$646 for the year ended December 31, 2015 and 2014, respectively. In those situations where it appears the Company will receive all amounts contractually due and it does not intend or believe it will be required to sell these securities prior to recovery of amortized cost, an impairment loss is not recognized.

Other debt obligations

This category primarily consists of credit tenant loans. The unrealized losses in this category are the result of concerns regarding the credit worthiness of the building tenants and illiquidity in this market sector. The unrealized losses on these securities have decreased during the year ended December 31, 2015 compared to the unrealized losses at December 31, 2014. The Company monitors the creditworthiness of the obligors and recognizes impairment losses in situations where it is determined the Company will not receive all amounts contractually due from the securities. In those situations where it appears the Company will receive all amounts contractually due and it does not intend or believe it will be required to sell these securities prior to recovery of amortized cost, an impairment loss is not recognized.

Equity securities

This category, which represents 2% of unrealized losses at December 31, 2015, primarily consists of one preferred equity position of an energy company. The total unrealized losses in this category have decreased at December 31, 2015 compared to December 31, 2014. The Company has reviewed the preferred equity in the large unrealized loss position and considers the impairment to be temporary. During 2015, the Company recognized impairment losses on two common equity securities of \$36,474. The losses were recognized on one publicly listed financial service company and one one-publicly traded retail company.

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The Company recognized total impairment losses of \$43,620 and \$5,577 applicable to equity securities for the years ended December 31, 2015 and 2014, respectively.

Other-than-temporary impairments

As a result of the Company's review of OTTI of investment securities, the Company recorded net impairment losses recognized in earnings during 2015, 2014 and 2013, as summarized in the following table:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Municipals	\$ 7,224	\$ -	\$ -
Corporate securities	58,748	46,808	14,124
Asset-backed securities	10,870	646	-
Preferred stock	5,848	5,577	7,008
Common stock	<u>37,772</u>	<u>-</u>	<u>-</u>
Net impairment loss recognized in earnings	<u>\$ 120,462</u>	<u>\$ 53,031</u>	<u>\$ 21,132</u>

The following is a roll-forward of credit losses for the years ended December 31, 2015 and 2014 on fixed maturities held by the Company for which a non-credit portion of the OTTI impairment was recognized in OCI:

	<u>2015</u>	<u>2014</u>
Balance, January 1	\$ -	\$ 4,351
Reductions for impaired securities sold	-	(985)
Reductions for securities no longer with OTTI OCI loss	<u>-</u>	<u>(3,366)</u>
Balance, December 31	<u>\$ -</u>	<u>\$ -</u>

The Company had no non-credit related OTTI losses recorded on fixed maturities that remain in accumulated OCI at December 31, 2015 and 2014, respectively.

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Net investment income and investment gains (losses)

The major categories of investment income reflected in the consolidated statements of income are summarized as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Gross investment income			
Fixed maturities	\$ 1,480,204	\$ 1,434,576	\$ 1,306,237
Equity securities	23,312	23,139	20,138
Mortgage loans	158,294	109,123	72,743
Policy loans	23,270	23,719	23,872
Short-term investments	4,102	3,845	12,088
Derivative instruments	(40,281)	149,267	172,407
Other invested assets	<u>(22,906)</u>	<u>32,993</u>	<u>64,309</u>
Total gross investment income	1,625,995	1,776,662	1,671,794
Less: Investment expenses	<u>50,096</u>	<u>50,954</u>	<u>44,615</u>
Net investment income	<u>\$ 1,575,899</u>	<u>\$ 1,725,708</u>	<u>\$ 1,627,179</u>

Investment expenses primarily consist of investment advisor fees, interest expense on repurchase agreements, interest on FHLB advances and interest related to derivative collateral liabilities.

The major categories of realized investment gains and (losses) reflected in the consolidated statements of income are summarized as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fixed maturities	\$ 125,077	\$ 241,840	\$ 133,865
Equity securities	(13,716)	(4,806)	(1,139)
Mortgage loans	(742)	36	1,737
Real estate	805	-	(250)
Short-term investments	(37)	22	(33)
Other invested assets	<u>12,055</u>	<u>-</u>	<u>-</u>
Net realized investment gains	<u>\$ 123,442</u>	<u>\$ 237,092</u>	<u>\$ 134,180</u>

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Proceeds from the sale of available-for-sale securities and the gross realized gains and losses on these sales (prior to gains (losses) ceded to reinsurer and excluding OTTI losses, maturities, calls, exchanges and prepayments) during 2015, 2014 and 2013 were as follows:

	2015		2014		2013	
	Fixed Maturities	Equity Securities	Fixed Maturities	Equity Securities	Fixed Maturities	Equity Securities
Proceeds from sales	\$ 3,008,856	\$ 92,378	\$ 3,438,655	\$ 8,194	\$ 1,860,869	\$ 7,359
Gross realized gains	102,889	3,701	212,178	847	104,501	-
Gross realized losses	(29,415)	-	(25,413)	(487)	(9,927)	(312)

Mortgage Loans

The carrying value and related loan loss allowance of the mortgage loan portfolio is as follows:

	2015	2014
Carrying value	\$ 4,412,801	\$ 2,946,727
Loan loss allowance	(1,000)	(258)
Carrying value, net of allowance	<u>\$ 4,411,801</u>	<u>\$ 2,946,469</u>

The following table includes a breakdown of the Company's mortgage loans by property type as of December 31:

	2015		2014	
	Carrying Value	Percent	Carrying Value	Percent
Office	\$ 1,739,848	39%	\$ 1,202,077	41%
Retail	1,190,865	27%	883,377	30%
Multi-family	696,859	16%	468,797	16%
Hotel	304,097	7%	124,912	4%
Other	136,165	3%	68,025	2%
Industrial	258,813	6%	124,971	4%
Medical	65,939	1%	48,822	2%
Residential	20,215	0%	25,746	1%
	<u>\$ 4,412,801</u>	<u>100%</u>	<u>\$ 2,946,727</u>	<u>100%</u>

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Mortgage loans by geographic locations are as follows as of December 31:

	2015		2014	
	<u>Carrying Value</u>	<u>Percent</u>	<u>Carrying Value</u>	<u>Percent</u>
South Atlantic	\$ 1,278,279	29%	\$ 953,241	33%
Pacific	997,990	23%	716,102	24%
Middle Atlantic	610,890	14%	447,439	15%
East North Central	259,532	6%	201,910	7%
Mountain	542,997	12%	187,445	6%
West South Central	346,204	8%	207,149	7%
West North Central	47,722	1%	64,436	2%
East South Central	51,410	1%	46,705	2%
New England	192,300	4%	122,300	4%
Other	85,477	2%	-	0%
	<u>\$ 4,412,801</u>	<u>100%</u>	<u>\$ 2,946,727</u>	<u>100%</u>

The Company's mortgage loans by origination year are as follows as of December 31:

	<u>Carrying Value</u>	<u>Percent</u>
2015	\$ 1,648,150	37%
2014	1,184,938	27%
2013	764,792	17%
2012	552,497	13%
2011 and prior	262,424	6%
Total	<u>\$ 4,412,801</u>	<u>100%</u>

The Company has outstanding commitments on mortgage loans of \$7,052 at December 31, 2015.

Any loan delinquent on contractual payments is considered non-performing. At December 31, 2015 there was one non-performing commercial mortgage loan that was over 90 days past due on contractual payments. At December 31, 2014 there were no non-performing loans over 90 days past due on contractual payments.

Information regarding the Company's credit quality indicators for its recorded investment in mortgage loans, gross of valuation allowances, as of December 31, 2015 and December 31, 2014 is as follows:

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	December 31, 2015		December 31, 2014	
	Carrying Value	% of Total	Carrying Value	% of Total
Internal credit risk grade:				
High quality	\$ 4,021,773	91%	\$ 2,716,075	92%
Medium quality	341,904	8%	167,616	6%
Low quality	-	0%	37,290	1%
Residential - unrated	20,215	0%	25,746	1%
In or near default	28,909	1%	-	0%
Total mortgage loans	<u>\$ 4,412,801</u>	<u>100%</u>	<u>\$ 2,946,727</u>	<u>100%</u>

The Company reviews its mortgage loans for impairment on an on-going basis. It considers such factors as delinquency of payments, decreases in the value of underlying properties, the financial condition of the mortgagee and the impact of general economic conditions in the geographic areas of the properties collateralizing the mortgages. Once the determination is made that a mortgage loan is impaired, the primary consideration used to determine the amount of the impairment is the fair market value of the underlying property. The Company assumes it would receive the proceeds from the sale of the underlying property less sale expenses. The Company maintains an allowance for mortgage loan losses. The allowance is determined through an analysis of specific loans that are believed to have a higher risk of credit impairment. The rollforward of the allowance for the years ended December 31, 2015 and 2014 is as follows:

	2015	2014
Balance at beginning of period	\$ 258	\$ 669
Allowances established/ provision released	1,000	(161)
Charge offs	(258)	(250)
Balance at end of period	<u>\$ 1,000</u>	<u>\$ 258</u>

Charge offs include the amount of loss resulting from writing specific mortgage loans to fair value and loans which were satisfied by taking ownership of the real estate. When the real estate is taken it is recorded at its fair value and the mortgage loan is recorded as fully paid. Provision released is applicable to loans determined to no longer require an allowance.

During the year ended December 31, 2015, there were no mortgages written down to fair value. There was \$258 of allowance charge offs related to a reverse mortgage that was paid in full in 2015. The negotiated payoff amount for this reverse mortgage was more than the mortgage value. During the year ended December 31, 2014, there were no mortgages written down to fair value. The amount of allowance charge offs related to these write downs was \$250 during the year ended December 31, 2014. The Company did not restructure any mortgage loans during the years ended December 31, 2015 and 2014.

The Company did not take ownership of any real estate in 2015. The company did take ownership of one piece of real estate in 2014 to satisfy a mortgage loan. Real estate is a component of other invested assets in the consolidated balance sheets.

The following table summarizes the activity in real estate owned which was obtained in satisfaction of mortgage loans on real estate:

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	<u>2015</u>	<u>2014</u>
Real estate owned at beginning of period	\$ 4,900	\$ 8,141
Sales	(5,705)	(3,652)
Gain on sale of real estate	<u>805</u>	<u>411</u>
Real estate owned at end of period	<u>\$ -</u>	<u>\$ 4,900</u>

Credit risk concentration

The Company generally strives to maintain a diversified invested assets portfolio. Other than investments in U.S. Government or U.S. Government Agencies, the Company had the following investments that exceeded 10% of the Company's stockholder's equity at December 31, 2015:

Guggenheim Partners Opportunistic Investment Grade Securities Fund, LLC	\$ 553,122
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Other

Federal Home Loan Bank of Des Moines

Midland National is a member of FHLB Des Moines. In order to maintain its membership and borrow funds, the Company was required to purchase FHLB equity securities that total \$59,995 and \$55,195 as of December 31, 2015 and 2014, respectively. These securities are included in equity securities and are carried at cost, which approximates fair value. Resale of these securities is restricted only to FHLB. As a member of FHLB, the Company can borrow money, provided that FHLB's collateral and stock ownership requirements are met. The maximum amount a member can borrow is twenty times its FHLB investment. The interest rate and repayment terms differ depending on the type of advance and the term selected. At December 31, 2015 and 2014, the Company had outstanding advances of \$1,249,870 and \$1,129,870, respectively from FHLB (see Note 8).

Deposits with regulatory authorities

At December 31, 2015 and 2014, securities with reported values of \$3,356 and \$3,244, respectively, were on deposit with regulatory authorities as required by law. These consist of fixed maturity securities reported in the consolidated balance sheets at fair value and have an amortized cost of \$3,189 and \$3,458, respectively.

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5. DERIVATIVES AND DERIVATIVE INSTRUMENTS

The following table presents the notional amount and fair value of derivatives and derivative instruments:

	December 31, 2015		December 31, 2014	
	Notional Amount	Fair Value	Notional Amount	Fair Value
Assets:				
Derivative instruments:				
Interest rate swaps	\$ 209,320	\$ 4,626	\$ 242,660	\$ 6,694
Interest rate floors	113,000	11,782	113,000	13,039
Interest rate caps	2,490,000	43,865	2,490,000	52,718
Foreign exchange derivatives	50,277	1,234	24,552	3,635
Futures	2,013,214	143,470	2,522,174	296,015
Options	8,399,113	158,876	5,839,695	235,704
		<u>\$ 363,853</u>		<u>\$ 607,805</u>
Reinsurance receivables - embedded derivatives from reinsurance ceded:				
Indexed annuity products ceded	N/A	\$ 765,194	N/A	\$ 891,676
Annuity funds withheld and modco	N/A	361,718	N/A	300,017
		<u>\$ 1,126,912</u>		<u>\$ 357,738</u>
Fixed maturities - asset-backed securities:				
Hybrid instruments		<u>\$ 558,210</u>		<u>\$ 695,254</u>
Liabilities:				
Investment-type insurance contracts embedded derivatives:				
Indexed life and annuity products		<u>\$ 3,652,206</u>		<u>\$ 3,891,058</u>
Other liabilities - derivative instruments				
Interest rate swaps	\$ 9,267	\$ 59	\$ -	\$ -
Written options	-	-	773,020	2,485
		<u>\$ 59</u>		<u>\$ 2,485</u>

None of the derivatives above are designated as hedging instruments.

Indexed options and futures

The Company has indexed annuity and indexed universal life products that provide for a guaranteed base return and a higher potential return tied to several major equity market indices. In order to fund these benefits, the Company purchases over-the-counter index options that compensate the Company for any appreciation over the strike price and offsets the corresponding increase in the policyholder obligation. The Company also enters futures contracts and options to compensate it for increases in the same indices. The Company classifies these options and futures as derivative instruments.

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The Company amortizes the cost of the indexed options against investment income over the term of the option, which is typically one year. When the options are exercised at maturity, the value received by the Company is reflected as net investment income in the consolidated statements of income.

The futures contracts have no initial cost and are marked to market daily. That daily mark-to-market is settled through the Company's variation margin accounts maintained with the counterparty. The Company reports the change in the difference between market value and amortized cost of indexed options and the change in the futures variation margin accounts as gains (losses) on derivatives and derivative instruments in the consolidated statements of income.

Embedded derivatives related to indexed life and annuity products

The Company's indexed life and annuity products contain embedded derivatives. The fair value of the embedded options related to these direct and ceded policyholder obligations are based upon current and expected index levels and returns as well as assumptions regarding general policyholder behavior, primarily lapses and withdrawals. These projected benefit values are discounted to the current date using an assumed interest rate consistent with the duration of the liability adjusted to reflect the Company's credit risk and additional provision for adverse deviation. This value is then compared to the carrying value of the liability to calculate any gain or loss that is reflected in the consolidated statements of income as net gains (losses) on derivatives and derivative instruments.

The Company has two coinsurance with funds withheld reinsurance agreements as well as a modified coinsurance agreement with unaffiliated reinsurers. Under applicable guidance, the Company's reinsurance agreements contain embedded derivatives that require bifurcation due to credit risks the reinsurer is assuming that are not clearly and closely related to the creditworthiness of the Company. The embedded derivatives contained in the funds withheld liability have characteristics similar to a total return swap since the Company cedes the total return on a designated investment portfolio to the outside reinsurer. The reinsurer assumes the interest credited to the policyholders on the policies covered by the treaties, which interest is relatively fixed. The Company has developed models based on the expected cash flows of the ceded annuity business to estimate the fair value of the policy liabilities. The value of the derivative embedded in the funds withheld coinsurance agreements is equal to the difference between the fair value of the assets in the funds withheld portfolio and the fair value of the policy liabilities estimated from cash flow models. The value of the derivative embedded in the modified coinsurance agreement is equal to the difference between the fair value and cost basis of the underlying financial instruments in the modco portfolio. The value of the embedded derivative is reported in the consolidated balance sheets in reinsurance receivables. The net change in the reported value of the embedded derivatives is reported in net gains (losses) on derivatives and derivative instruments in the consolidated statements of income.

See Note 11 for further discussion related to the Company's coinsurance with funds withheld and modified coinsurance reinsurance agreements.

Embedded derivatives related to hybrid financial instruments

The Company holds hybrid financial instruments, fixed income securities with embedded derivatives, and has elected fair value measurement. These securities are reported in the consolidated balance sheets in fixed maturities, available-for-sale, at fair value. Any change in the fair value of the security is reported as net gains (losses) on derivatives and derivative instruments in the consolidated statements of income. The amortized cost and fair value of the Company's hybrid financial instruments at December 31, 2015 was \$584,000 and \$558,210, respectively. The amortized cost and fair value of the Company's hybrid financial instruments at December 31, 2014 was \$665,000 and \$695,254, respectively. The decision to elect fair

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value measurement is made on an instrument-by-instrument basis under the guidance. The Company will consider making an election of fair value measurement at the time of any future acquisitions of hybrid financial instruments.

Other derivative instruments

The Company has also entered into interest rate floor, interest rate cap and interest rate swap agreements to help manage its overall exposure to interest rate changes and credit events. These other derivative instruments do not hedge specific assets or liabilities and as such are not accounted for as effective hedges. The Company holds interest rate floor and cap agreements to protect itself against interest rate fluctuations in relation to crediting rates on its policyholder accounts. These swaps, caps and floors are reported at fair value in the consolidated balance sheets and changes in the fair value are reported as a component of net gains (losses) on derivatives and derivative instruments in the consolidated statements of income. Periodic interest rate swap settlements and current period changes in the swap accruals for these non-hedge swaps are reported as a component of net investment income in the consolidated statements of income with the payable or receivable included in accrued investment income in the consolidated balance sheets. The stated fair value of the applicable interest rate swaps excludes the current period accruals.

The Company has entered into foreign currency forwards to protect itself against currency fluctuations between trade and settlement dates on foreign financial instruments. These forwards are reported at fair value in the consolidated balance sheets and changes in fair value are reported as a component of net gains (losses) on derivatives and derivative instruments in the consolidated statements of income.

The following table presents the impact of derivatives and derivative instruments not designated as hedging instruments in the consolidated statements of income:

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	2015	2014	2013
Gains (losses) recognized in net gains (losses) on derivatives and derivative instruments:			
Interest rate swaps	\$ (2,068)	\$ 65	\$ (9,694)
Credit default swaps - receive	-	-	340
Credit default swaps - pay	-	(234)	1,457
Interest rate floors	(993)	1,886	(5,383)
Interest rate caps	(8,852)	(7,275)	-
Foreign exchange derivatives	5,529	4,912	-
Embedded derivatives in:			
Indexed life and annuity products	521,238	1,820	(105,251)
Indexed annuity products ceded	(108,823)	32,736	(35,072)
Annuity funds withheld and modco	61,701	167,914	(42,447)
Hybrid instruments	(51,838)	29,632	(3,026)
Futures	(32,386)	245,698	351,302
Options	(101,094)	(133,841)	180,892
	<u>\$ 282,414</u>	<u>\$ 343,313</u>	<u>\$ 333,118</u>
Gains (losses) recognized in net investment income:			
Interest rate and credit default swaps	\$ 5,171	\$ 6,770	\$ 9,901
Interest rate floors	2,851	2,378	1,308
Options	(48,303)	140,119	161,198
	<u>\$ (40,281)</u>	<u>\$ 149,267</u>	<u>\$ 172,407</u>

6. OFFSETTING OF ASSETS AND LIABILITIES

Certain of the Company's derivative instruments are subject to enforceable master netting arrangements that provide for the net settlement of all derivative contracts between the Company and a counterparty in the event of default or upon the occurrence of certain termination events. Collateral support agreements are also in place requiring the Company or the counterparty to pledge collateral in the event minimum thresholds have been reached, typically related to the fair value of the outstanding derivatives. Additionally, certain of the Company's repurchase and reverse repurchase agreements provide for net settlement on termination of the agreement.

The Company reports derivative instruments, repurchase agreements, and reverse repurchase agreements on a gross basis within the consolidated balance sheet. The tables below present the Company's gross and net derivative instruments and gross and net repurchase agreements by asset and liabilities for the Company as December 31, 2015 and 2014:

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	December 31, 2015		
	Gross Amounts Presented in the Balance Sheet	Financial Instruments/ Collateral	Net Amount
Offsetting of financial assets:			
Derivative instruments	\$ 363,853	\$ 136,722	\$ 227,131
Reverse repurchase agreements	94,377	94,377	-
Total financial assets	<u>\$ 458,230</u>	<u>\$ 231,099</u>	<u>\$ 227,131</u>
Offsetting of financial liabilities:			
Derivative instruments	\$ 59	\$ -	\$ 59
Repurchase agreements	2,876,442	2,876,442	-
Total financial liabilities	<u>\$ 2,876,501</u>	<u>\$ 2,876,442</u>	<u>\$ 59</u>
	December 31, 2014		
	Gross Amounts Presented in the Balance Sheet	Financial Instruments/ Collateral	Net Amount
Offsetting of financial assets:			
Derivative instruments	\$ 607,805	\$ 241,402	\$ 366,403
Reverse repurchase agreements	98,300	98,300	-
Total financial assets	<u>\$ 706,105</u>	<u>\$ 339,702</u>	<u>\$ 366,403</u>
Offsetting of financial liabilities:			
Derivative instruments	\$ 2,485	\$ -	\$ 2,485
Repurchase agreements	2,677,167	2,677,167	-
Total financial liabilities	<u>\$ 2,679,652</u>	<u>\$ 2,677,167</u>	<u>\$ 2,485</u>

7. NONCONTROLLING INTERESTS AND VARIABLE INTEREST ENTITIES

In 2009, the Company completed a re-securitization transaction by transferring nonagency RMBS to a special interest entity, which then transferred the securities to a nonaffiliated Trust. The cash flows from the transferred securities will be used to service re-tranched and re-rated securities issued by the Trust. Upon completion of the re-securitization, the previous carrying amount of the transferred securities was allocated to the securities issued by the Trust. The beneficial interests in the remaining securities issued by the Trust had been retained by the Company and had a carrying value equal to the prior carrying value of the transferred securities less the carrying value allocated to the re-securitized securities sold. As of December 31, 2015, the beneficial interests in the remaining securities had a book value of \$73,520 and fair value of \$85,676.

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In 2014, the Company invested in two special purpose vehicles (“SPVs”), Paris Finance II, LLC (“PF II”) and Wattage Finance LLC (“Wattage”), that are designed to provide financing to underlying real estate and energy projects, respectively.

The Company invested in 67% of the outstanding senior and subordinated debt of PF II. PF II’s entire capitalization is made up of debt. PF II’s management function is controlled by an investment manager, GPIM, over which the Company retains kick out rights. Due to insufficient equity at risk as well as the management function control by a third party, PF II is considered a VIE. As the Company is the holder of a majority of the beneficial interests of PF II and has authority to replace the investment manager, the Company is the primary beneficiary. As primary beneficiary the Company has included PF II’s financial activity in the Company’s consolidated financial statements.

The noncontrolling interest included in stockholder’s equity related to PF II is \$4,414 and (\$1,251) as of December 31, 2015 and 2014, respectively. The related net loss (gain) attributable to noncontrolling interest for the year ended December 31, 2015 and 2014 for PF II is (\$5,665) and \$1,251, respectively.

The Company invested in 63% of the equity interest of Wattage which represents a majority of the total capitalization. Wattage’s management function is controlled by GPIM, over which the Company retains kick out rights. Due to management control by a third party, Wattage is considered a VIE. As the Company is the holder of a majority of the beneficial interests of Wattage and has authority to replace the investment manager, the Company is the primary beneficiary. As primary beneficiary the Company has included Wattage’s financial activity in the Company’s consolidated financial statements.

The noncontrolling interest included in stockholders’ equity related to Wattage is \$9,826 and \$2,796 as of December 31, 2015 and 2014, respectively. The related net loss attributable to noncontrolling interest for the year ended December 31, 2015 and 2014 for Wattage is \$1,001 and \$1,517, respectively.

In addition, the Company has other investments in limited partnerships, SPVs, the previously discussed re-securitization trust and a private debt fund that are reviewed to determine if they are VIEs. The VIEs are primarily limited partnerships formed for the purpose of purchasing fixed income and private equity securities and SPVs formed for specific business purposes such as aircraft leasing. Financing for these VIEs is primarily accomplished through limited partnership contributions and various debt structures. For limited partnerships, the Company is a limited partner with no voting rights in the VIEs. For the SPVs, the Company is typically a senior and subordinated debt holder with limited voting rights, which voting rights are not significant enough to have the power to direct activities of the SPV. In the case of the SPVs, the Company reports its investment in these entities as a component of fixed maturity investments. The Company’s involvement with the re-securitization trust and private debt fund is limited due to a third-party manager. Certain of these investments were determined to be VIEs, but in each case the Company has determined it is not the primary beneficiary. The determination was based on the conclusion that the Company does not have the power to direct the activities of the VIEs that most significantly impact the entities’ economic performance. Except for amounts contractually required, the Company did not provide any further financial or other support to the VIEs.

The Company’s maximum exposure to loss is based on the carrying value of the limited partnerships, SPVs, the remaining beneficial interests held for the re-securitization trust and its investment in the private debt fund. The Company’s carrying amount of its asset compared to its maximum exposure to loss as of December 31, 2015 is as follows:

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Limited partnerships	Carrying amount of assets	\$ 864,934
	Maximum exposure to loss	864,934
Special Purpose Vehicles	Carrying amount of assets	456,746
	Maximum exposure to loss	456,746
Private debt fund	Carrying amount of assets	112,552
	Maximum exposure to loss	112,552
Re-securitization trust	Beneficial interests held in trust	85,676
	Maximum exposure to loss	85,676

8. REPURCHASE AGREEMENTS, OTHER BORROWINGS, AND COLLATERAL ON DERIVATIVE INSTRUMENTS

Repurchase agreements

Securities sold under repurchase agreements and securities lending arrangements are effectively collateralized borrowings. In these transactions, the Company receives cash in exchange for transferring securities as collateral and recognizes an obligation to reacquire the securities for cash at the transaction's maturity. These types of transactions create risks, including (1) the counterparty may fail to fulfill its obligations under outstanding agreements, (2) the fair value of the securities transferred may decline below the amount of the obligation to reacquire the securities, and therefore create an obligation to pledge additional amounts, and (3) the counterparty may accelerate the maturity on demand requiring the Company to reacquire the security prior to contractual maturity. The Company attempts to mitigate these risks by the fact that the majority of the securities financing activities involve highly liquid securities, selecting counterparties with long-standing performance records and monitoring the fair value of collateral pledged relative to contractually required repurchase amounts. The repurchase collateral posted by counterparties at December 31, 2015 and 2014 was \$3,660 and \$1,277, respectively. The following table provides the underlying collateral types of the Company's gross obligations as well as the remaining contractual maturity under repurchase and securities lending agreements.

	December 31, 2015				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 days	30-90 days	Greater Than 90 days	Total
Repurchase agreements and repurchase-to-maturity transactions					
Securities lending transactions					
U.S. Governments and Agencies	\$ 1,772,725	-	-	-	\$ 1,772,725
Corporate securities	556,164	-	-	-	556,164
Residential mortgage-backed securities	547,553	-	-	-	547,553
Total borrowing	\$ 2,876,442	\$ -	\$ -	\$ -	\$ 2,876,442

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	December 31, 2014				
	Remaining Contractual Maturity of the Agreements				
	Overnight and Continuous	Up to 30 days	30-90 days	Greater Than 90 days	Total
Repurchase agreements and repurchase-to-maturity transactions					
Securities lending transactions					
U.S. Governments and Agencies	\$ 1,588,860	-	-	-	\$ 1,588,860
Corporate securities	555,716	-	-	-	555,716
Residential mortgage-backed securities	532,591	-	-	-	532,591
Total borrowing	\$ 2,677,167	\$ -	\$ -	\$ -	\$ 2,677,167

Other borrowings

At December 31, 2015, 2014 and 2013, the Company had outstanding borrowings of \$1,249,870, \$1,129,870 and \$929,870, respectively from the FHLB in accordance with the terms of its membership agreement. The purpose of the borrowings is to complement the Company's repurchase agreement program. The borrowings are reported as a component of repurchase agreements, other borrowings and collateral on derivative instruments in the consolidated balance sheets. The borrowings outstanding at December 31, 2015 have maturity dates in February, Mar, May June and October of 2016, January and February of 2017 and June of 2021. The interest rates on the outstanding borrowings range from 0.31% to 0.83%. Interest expense incurred during 2015, 2014 and 2013 was \$7,259, \$5,245, and \$4,278, respectively, and is reported as a component of net investment income in the consolidated statements of income. The carrying value of this borrowing approximates its fair value due to its short maturity.

In accordance with the FHLB membership agreement, the Company was required to purchase FHLB common stock. At December 31, 2015, 2014 and 2013 the Company held \$59,995, \$55,195 and \$47,195 of FHLB common stock, respectively. In addition, the Company has posted mortgage loans and agency MBS/CMO fixed income securities with fair values in excess of the amount of the borrowing as collateral.

On December 31, 2011 Solberg Re, an indirect wholly owned limited purpose subsidiary domiciled in the State of Iowa, secured an irrevocable standby letter of credit ("LOC") from a large commercial bank. On June 28, 2013, the LOC facility was amended to increase the aggregate maximum LOC amount, extend the term and increase the life insurance policies covered under the agreement. On June 30, 2014, the LOC facility was amended to increase the life insurance policies covered under the agreement. The term of the facility and the aggregate maximum issuance amount did not change in the 2014 amendment. The amended LOC, which has a term of 13 years, has an aggregate maximum issuance amount of \$700,000, of which \$558,037 and \$513,954 were issued and outstanding at December 31, 2015 and 2014, respectively. The purpose of the LOC is to support redundant statutory required reserves on specific term life insurance policies issued by Midland National and North American and ceded to Solberg Re. The LOC can be drawn upon when actual policy benefits applicable to the specific life insurance term policies exceed specified thresholds. Solberg Re does not anticipate drawing funds against the LOC. Total credit facility origination costs of \$5,814 were incurred and capitalized and are included in other receivables, other assets and property, plant and equipment on the consolidated balance sheets. The capitalized fees will be amortized over the original life of the facility. Amortization expense of \$447 was recorded in 2015, 2014 and 2013. The Company expects to amortize \$447 in each of the next five years. In addition, a quarterly fee equal to 1.45% per annum of the outstanding LOC was paid during part of 2013. As part of the 2013 LOC facility amendment, the quarterly fee was changed to 1.3855% per annum of the outstanding LOC, which will be paid during the remaining term of the facility. LOC fees of \$7,535, \$6,284 and \$5,136 were incurred in 2015, 2014 and 2013, respectively.

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On December 31, 2012 MNL Re, another indirect wholly owned limited purpose subsidiary domiciled in the State of Iowa, secured a contingent note guarantee of specific risks on certain permanent life insurance policies assumed from Midland National and North American from an unrelated third party. The contingent note guarantee was amended on December 31, 2013 to increase the aggregate maximum guarantee amount, extend the term and increase the permanent life insurance policies covered under the agreement. On June 30, 2014, the contingent note was further amended to increase the aggregate maximum guarantee amount and increase the permanent life insurance policies covered under the agreement. This contingent note guarantee functions in a manner similar to a letter of credit. The contingent note guarantee has a term of 23 years and an aggregate maximum guarantee amount of \$1,432,000, of which \$884,716 and \$704,550 was utilized at December 31, 2015 and 2014, respectively. MNL Re pays a fee to the guarantee provider equal to 0.65% per annum, payable quarterly, applied to the amount of the guarantee utilized. The contingent note guarantee can be drawn upon when actual policy benefits applicable to the specific permanent life insurance policies exceed certain thresholds. MNL Re does not anticipate drawing funds against the contingent note guarantee. For the years ended December 31, 2015, 2014 and 2013 fees incurred related to this contingent note guarantee were \$4,931, \$3,420 and \$1,339 respectively.

Collateral on derivative instruments

Collateral posted by counterparties at December 31, 2015 and 2014 applicable to derivative instruments was \$136,722 and \$241,402, respectively, and is reflected in the consolidated balance sheets in cash and fixed income securities. The obligation to repay the collateral is reflected in the consolidated balance sheets in repurchase agreements, other borrowings and collateral on derivative instruments.

9. DAC, PVFP and DSI

The composition of DAC and PVFP for the years ended December 31, 2015, 2014 and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
DAC and PVFP, beginning of year	\$ 1,581,768	\$ 1,496,134	\$ 1,221,604
Commissions deferred	334,910	266,983	281,921
Underwriting and acquisition expenses deferred	14,651	12,783	13,743
Change in offset to unrealized (gains) losses	77,678	(118,432)	168,066
Amortization related to operations	(184,995)	(63,409)	(145,437)
Amortization related to realized gains	(1,840)	(19,546)	(12,496)
Amortization related to derivatives (gains) losses	<u>(10,508)</u>	<u>7,255</u>	<u>(31,267)</u>
DAC and PVFP, end of year	<u>\$ 1,811,664</u>	<u>\$ 1,581,768</u>	<u>\$ 1,496,134</u>

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The composition of DSI for the years ended December 31, 2015, 2014 and 2013 is summarized below:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
DSI, beginning of year	\$ 460,588	\$ 451,876	\$ 324,262
Sales inducement costs deferred	116,128	115,144	111,657
Change in offset to unrealized (gains) losses	46,886	(58,339)	98,794
Amortization related to operations	(87,993)	(37,259)	(67,057)
Amortization related to realized gains	2,391	(7,058)	(5,536)
Amortization related to derivatives (gains) losses	(7,939)	(3,776)	(10,244)
DSI, end of year	<u>\$ 530,061</u>	<u>\$ 460,588</u>	<u>\$ 451,876</u>

10. PROPERTY, PLANT AND EQUIPMENT

The major classifications of property, plant and equipment recorded in the consolidated balance sheets as a component of other receivables, other assets and property, plant and equipment are as follows:

	<u>Range of Useful Lives</u>	<u>2015</u>	<u>2014</u>
Land	-	\$ 3,029	\$ 3,029
Buildings and improvements	20 - 39 years	20,792	20,792
Leasehold improvements	4 - 40 years	2,845	2,696
Furniture and fixtures	10 years	8,604	8,313
Computer equipment and software	3 - 10 years	111,242	85,890
Other	5 years	51	51
		<u>146,563</u>	<u>120,771</u>
Accumulated depreciation		<u>(71,086)</u>	<u>(54,032)</u>
		<u>\$ 75,477</u>	<u>\$ 66,739</u>

Depreciation expense was \$21,183, \$14,242 and \$8,644 for the years ended December 31, 2015, 2014 and 2013, respectively.

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11. REINSURANCE

The Company is primarily involved in the cession and, to a lesser degree, assumption of life and annuity reinsurance with other companies. Reinsurance premiums and claims ceded and assumed for the years ended December 31 are as follows:

	2015		2014		2013	
	Ceded	Assumed	Ceded	Assumed	Ceded	Assumed
Premiums and deposits on investment contracts	\$ 863,344	\$ 365,449	\$ 402,065	\$ 204,209	\$ 264,176	\$ 131,726
Claims and investment contract withdrawals	295,175	19,659	266,776	50,131	230,860	39,023

The Company is party to two funds withheld coinsurance agreements with a third-party reinsurer. These are indemnity agreements that cover 50% of substantially all policies of specific annuity plans issued from January 1, 2002 through March 31, 2005, 60% of substantially all policies of specific annuity plans issued from April 1, 2005 through February 29, 2008, and 50% of substantially all policies of specific annuity plans issued from March 1, 2008 through November 30, 2013. In these agreements, the Company agrees to withhold, on behalf of the reinsurer, assets equal to the statutory liabilities associated with these policies. The Company has netted the funds withheld liability of \$4,133,427 and \$4,210,916 against the reinsurance receivables of \$4,756,933 and \$4,924,463 in reinsurance receivables in the December 31, 2015 and 2014 consolidated balance sheets, respectively. The reinsurance receivables contain embedded derivatives as discussed in Note 5.

The Company is a party to a reinsurance agreement with North American. In this indemnity agreement, the Company assumes 80% of all policies issued by North American on or after January 1, 2014 of specific annuity plans. The Company retrocedes 100% of this business to a third party reinsurer through a modified coinsurance agreement.

The Company is a party to a modified coinsurance agreement with a third-party reinsurer. This indemnity agreement covers 80% of all policies issued by the Company on or after January 1, 2014 of specific annuity plans along with 100% of the business the Company assumes from North American in the coinsurance agreement discussed in the previous paragraph. In this agreement, the Company retains, on behalf of the reinsurer, assets equal to the statutory liabilities associated with the reinsured policies.

The Company is a party to a coinsurance agreement with Guggenheim Life and Annuity Company ("GLAC"), an affiliate. This is an indemnity agreement that covers 100% of all policies issued from January 1, 2008 through September 30, 2009 of specific annuity plans. Reinsurance receivables of \$259,320 and \$287,440 associated with this agreement are reported as a component of reinsurance receivables in the December 31, 2015 and 2014 consolidated balance sheets, respectively.

MNL Re has a coinsurance agreement with North American, which was subsequently amended and restated on December 31, 2013. On June 30, 2014, the coinsurance agreement with North American was further amended to increase the life insurance policies covered under the agreement. In accordance with the coinsurance agreement North American ceded a defined block of permanent life insurance products to MNL Re. At December 31, 2015 and 2014, MNL Re assumed reserves of \$192,121 and \$120,306, respectively, which are included in reinsurance receivables. MNL Re received premiums of \$68,978,

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\$59,763, and \$35,013 from North American in 2015, 2014, and 2013 respectively. MNL Re paid experience refunds to North American of \$0, \$0 and \$158 in 2015, 2014 and 2013, respectively.

On December 31, 2011, Solberg Re entered into a coinsurance agreement with North American. On June 28, 2013, the agreement was amended and extends the term and increases the life insurance policies covered under the agreement. In accordance with the coinsurance agreement North American ceded a defined block of term life insurance to Solberg Re. At December 31, 2015 and 2014, Solberg Re assumed reserves of \$143,321 and \$121,943, respectively, which are included in reinsurance receivables. Solberg Re received premiums of \$58,084, \$61,826 and \$52,671 from North American in 2015, 2014 and 2013 respectively. In addition, Solberg Re paid a reinsurance assumed risk charge of \$181 in 2015 to North American and received a reinsurance assumed risk charge of \$9,823 and \$10,493 in 2014 and 2013, respectively from North American. Solberg Re paid an expense allowance of \$9,682, \$19,153 and \$18,573 in 2015, 2014 and 2013, respectively and paid claims of \$17,201, \$17,417 and \$13,429 in 2015, 2014 and 2013 respectively to North American.

Premiums, interest sensitive life and investment product charges, and benefits incurred are stated net of the amounts of premiums and claims assumed and ceded. Policyholder account balances, policy benefit reserves, and policy claims and benefits payable are reported gross of the related reinsurance receivables. These receivables are recognized in a manner consistent with the liabilities related to the underlying reinsured contracts.

12. NOTES PAYABLE

On October 28, 2013, the Company issued a note payable to its parent, SFG, for \$142,000. The note payable bears an interest rate of 7.5% payable semi-annually. The maturity date of the note is October 31, 2043. The amount of interest accrued and incurred during 2015 and 2014 was \$10,650, respectively. Payment of principal and interest on this note is subject to approval by the Iowa Insurance Division.

On December 30, 2014, the Company issued a note payable to its parent, SFG, for \$200,000. The note payable bears an interest rate of 7.0% payable semi-annually. The maturity date of the note is December 30, 2044. The amount of interest accrued and incurred during 2015 and 2014 was \$14,000 and \$0, respectively. Payment of principal and interest on this note is subject to approval by the Iowa Insurance Division.

The remaining \$41,440 of notes payable recognized on the Company's balance sheet relate to notes payable issued by Paris Finance II to the non-controlling interest holder.

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13. ACCUMULATED OTHER COMPREHENSIVE INCOME

The components of accumulated OCI are as follows:

	December 31,						
	Net Unrealized (Gain) Loss on Available-For-Sale Securities	Net Unrealized (Gain) Loss on Non-Credit Portion of OTTI Losses	Intangible Offset- Net Unrealized (Gain) Loss	Pension Liability	Postretirement Liability	Deferred Income Taxes	Total
Balance at December 31, 2013	977,411	(272)	(159,066)	(13,351)	9,968	(285,141)	529,549
Other comprehensive income before reclassifications	1,597,278	272	(173,695)	(3,045)	(6,969)	(494,845)	918,996
Reclassification adjustments	(183,758)	-	19,180	16,395	(1,035)	52,226	(96,992)
Balance at December 31, 2014	2,390,931	-	(313,581)	-	1,964	(727,760)	1,351,554
Other comprehensive income before reclassifications	(921,526)	-	137,430		2,972	273,393	(507,731)
Reclassification adjustments	3,455	-	(3,854)		(768)	409	(758)
Balance at December 31, 2015	1,472,860	-	(180,005)	-	4,168	(453,958)	843,065

The following table sets forth the reclassification adjustments in accumulated other comprehensive income by component as reflected in the consolidated statements of income:

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December 31, 2015					
	Net Unrealized (Gain) Loss on Available-For-Sale Securities	Intangible Offset- Net Unrealized (Gain) Loss on Available-For-Sale Securities	Pension Liability	Postretirement Liability	Total
Net realized investment gains	\$ 3,455	\$ -	\$ -	\$ -	\$ 3,455
Amortization of deferred policy acquisition costs and present value of future profits of acquired businesses	-	1,840	-	-	1,840
Charges on interest sensitive and investment-type products	-	(3,597)	-	-	(3,597)
Benefits incurred	-	294	-	-	294
Amortization of deferred sales inducements	-	(2,391)	-	-	(2,391)
Operating and other expenses (net of commissions and other expenses deferred)					
Amortization of unrecognized postretirement items	-	-	-	(768)	(768)
Reclassifications before income taxes	3,455	(3,854)	-	(768)	(1,167)
Income taxes	(1,209)	1,349	-	269	409
Reclassification adjustments	\$ 2,246	\$ (2,505)	\$ -	\$ (499)	\$ (758)
December 31, 2014					
	Net Unrealized (Gain) Loss on Available-For-Sale Securities	Intangible Offset- Net Unrealized (Gain) Loss on Available-For-Sale Securities	Pension Liability	Postretirement Liability	Total
Net realized investment gains	\$ (183,758)	\$ -	\$ -	\$ -	\$ (183,758)
Amortization of deferred policy acquisition costs and present value of future profits of acquired businesses	-	19,546	-	-	19,546
Charges on interest sensitive and investment-type products	-	(7,723)	-	-	(7,723)
Benefits incurred	-	299	-	-	299
Amortization of deferred sales inducements	-	7,058	-	-	7,058
Operating and other expenses (net of commissions and other expenses deferred)					
Amortization of unrecognized pension items	-	-	917	-	917
Postretirement curtailment	-	-	15,479	-	15,479
Amortization of unrecognized postretirement items	-	-	-	(1,035)	(1,035)
Reclassifications before income taxes	(183,758)	19,180	16,395	(1,035)	(149,218)
Income taxes	64,315	(6,713)	(5,738)	362	52,226
Reclassification adjustments	\$ (119,443)	\$ 12,467	\$ 10,657	\$ (673)	\$ (96,992)

The unrealized gain (loss) on available-for-sale securities, certain interest rate swaps, and non-credit portion of OTTI losses is adjusted by intangibles (primarily DAC, DSI and unearned liability) and deferred income taxes and is included in the statements of comprehensive income.

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14. INCOME TAXES

The significant components of income tax expense are as follows:

	2015	2014	2013
Current	\$ 137,788	\$ 298,776	\$ 32,642
Deferred	34,488	(17,727)	199,847
Total income tax expense	<u>\$ 172,276</u>	<u>\$ 281,049</u>	<u>\$ 232,489</u>

Total income tax expense attributable to income before taxes differs from the amounts that would result from applying the U.S. federal statutory rate of 35% in 2015, 2014 and 2013. The significant differences in all three years include tax credits, nondeductible ESOP expense, and nontaxable investment income.

The tax effects of temporary differences that give rise to significant portions of deferred income tax assets and deferred income tax liabilities at December 31, 2015 and 2014 are as follows:

	2015	2014
Deferred income tax assets		
Policy liabilities and reserves	\$ 419,685	\$ 629,610
Other, net	114,477	60,329
Total deferred income tax assets	<u>534,162</u>	<u>689,939</u>
Deferred income tax liabilities		
Present value of future profits of acquired business	-	(5,218)
Investments	(500,163)	(994,454)
Deferred policy acquisition costs and deferred sales inducements	(691,370)	(586,952)
Total deferred income tax liabilities	<u>(1,191,533)</u>	<u>(1,586,624)</u>
Net deferred income tax liability	<u>\$ (657,371)</u>	<u>\$ (896,685)</u>

If the Company determines that any of its deferred tax assets will not result in future tax benefits, a valuation allowance must be established for the portion of these assets that are not expected to be realized. Based upon a review of the Company's anticipated future taxable income and after considering all other available evidence, both positive and negative, the Company's management concluded that it is more likely than not that the gross deferred tax assets will be realized, and no valuation allowance is necessary.

The Company has not established a liability for unrecognized tax benefits and does not expect this to change during the next twelve months. The Company recognizes interest and/or penalties as a component of tax expense. The Company did not have any accrued interest and penalties at December 31, 2015 and 2014.

In December of 2015, the IRS notified the Company that it will conduct an examination of the 2013 income tax return. At this time, the Company does not believe the ultimate resolution of any tax matters that may arise as a result of the examination will have a material effect on the financial statements. Tax years prior to 2011 are closed under the statute of limitations.

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15. OPERATING LEASES

The Company leases certain equipment and office space. Rental expense of \$4,015, \$3,923 and \$3,883 was incurred in 2015, 2014 and 2013, respectively. Approximate future minimum lease payments under noncancellable leases are as follows:

Year ending December 31,

2015	\$ 2,593
2016	3,116
2017	3,170
2018	3,066
2019	2,528
Thereafter	2,677
	<u>\$ 17,150</u>

16. EMPLOYEE BENEFIT PLANS

Pension Plan

The Company had a noncontributory defined benefit pension plan ("Pension Plan") covering certain full-time employees. In 2004, the Company approved a plan amendment to freeze the participant's accounts of the Pension Plan, which had the effect of establishing each participant's earned accrued benefit as of December 31, 2004. The Plan was terminated on July 18, 2014. As a result of the plan termination, the liability to plan participants was settled through the purchase of nonparticipating annuity contracts and lump sum payments. In 2014, the Company recorded a nonrecurring settlement loss of approximately \$15,479. Plan assets remaining in the Pension Plan after termination payouts and payment of certain plan expenses were transferred to the Employee Stock Ownership Plan ("ESOP") in accordance with IRC § 409 and were not be subject to excise tax.

Retiree Medical Plan

The Company provides certain post-retirement health care benefits through a health and welfare benefit plan ("Retiree Medical Plan") and life insurance benefits for eligible active and retired employees.

The information for the Retiree Medical Plan at December 31 is as follows:

	Retiree Medical Plan	
	<u>2015</u>	<u>2014</u>
Obligation and funded status		
Accumulated benefit obligation	\$ 23,088	\$ 24,311
Underfunded status	<u>\$ 23,088</u>	<u>\$ 24,311</u>
Liability for benefits		
recognized in accounts		
payable and accrued expenses	<u>\$ 23,088</u>	<u>\$ 24,311</u>

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	2015	2014
Additional information		
Net periodic benefit costs	\$ 1,356	\$ 702
Employer contributions	375	405
Employee contributions	127	86
Benefit payments	502	491

Actuarial assumptions

Weighted-average assumptions used to determine benefit obligations as of December 31:

4.14%	3.79%
N/A	N/A

Weighted-average assumptions used to determine net costs for the years ended December 31:

3.79%	4.75%
N/A	N/A

The assumed initial annual rate of increase in the per capita cost of covered healthcare benefits was 5.6% and 8.7% in 2015 and 2014, respectively, grading down to 4.50% by 2085.

Employee stock ownership plan

The Company participates in an Employee Stock Ownership Plan ("ESOP") sponsored by SEI covering certain full-time employees. Prior to 2010, the majority of SEI's stock was held in the Charles A. Sammons 1987 Charitable Remainder Trust Number Two (the "CRT"). Prior to his death in 1988, Charles A. Sammons, the founder of SEI, established the CRT. The death of his widow, Elaine D. Sammons, in January 2009, initiated the process of settling the CRT. In January 2010, the 7,664,402 shares of the SEI stock held by the CRT were transferred to the ESOP (the "Transfer") as unallocated shares, which completed the settlement of the CRT. As of December 31, 2015 the ESOP owns 100% of the outstanding stock of SEI.

Compensation expense of \$17,729, \$21,389 and \$20,070 for 2015, 2014 and 2013, respectively, was recorded related to the ESOP.

17. STATUTORY FINANCIAL DATA AND DIVIDEND RESTRICTIONS

The Company is domiciled in Iowa and its statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the insurance department of the domiciliary state. "Prescribed" statutory accounting practices include state laws, regulations, and general administrative rules, as well as a variety of publications of the National Association of Insurance Commissioners ("NAIC"). "Permitted" statutory accounting practices encompass all accounting practices that are not prescribed. Such practices differ from state to state and company to company.

The prescribed and permitted practices used by the Company in 2015 include the following:

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- In 2006 Iowa issued a prescribed practice that instructs insurance companies to use other than market value for assets held in separate accounts where general account guarantees are present on such separate accounts. As a result, the Company carries the assets of the separate accounts related to its bank owned life insurance products at book value.
- In 2008 Iowa issued a prescribed practice that allows insurance companies to account for call option derivative assets that hedge the growth in interest credited to the hedged policy as a direct result of changes in the related indices at amortized cost. Other derivative instruments such as indexed futures, swaps and swaptions that may be used to hedge the growth in interest credited to the policy as a direct result of changes in the related indices would still be accounted for at fair value since an amortized cost for these instruments does not exist. As a result, the Company elected to establish a voluntary reserve to offset increases in the values of these other derivative instruments. The prescribed practice also provides guidance to determine indexed annuity reserve calculations based on the Guideline 35 Reserve assuming the market value of the call option(s) associated with the current index term is zero, regardless of the observable market for such option(s). At the conclusion of the index term, credited interest is reflected in the reserve as realized, based on actual index performance. The Company adopted this prescribed practice in 2008.
- In 2015 Iowa issued a prescribed practice that allows insurance companies domiciled in Iowa to use the Annuity 2000 mortality table for determining the minimum standard of valuation for annuities issued during 2015. NAIC Accounting requires the 2012 IAR Mortality Table for determining the minimum standard of valuation for annuities issued during 2015.

The combined effect of applying these prescribed practices in 2015 decreased the Company's statutory-based surplus by \$34,676. The risk-based capital excluding the effect of these prescribed practices would not have resulted in a regulatory trigger event.

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The state of Iowa statute allows limited purpose captive insurance companies to assume certain redundant insurance reserves. Solberg Re and MNL Re assume redundant reserves from Midland National and North American that are secured by an LOC and contingent note guarantee that provided combined statutory-based surplus relief of \$1,442,753 and \$1,218,504 at December 31, 2015 and December 31, 2014, respectively.

Generally, the net assets of an Iowa domiciled insurance company available for distribution to its stockholders are limited to the amounts by which the net assets, as determined in accordance with statutory accounting practices, exceed minimum regulatory statutory capital requirements. All payments of dividends or other distributions to stockholders are subject to notification of regulatory authorities. The maximum amount of dividends that can be paid by the Company during any 12-month period, without prior approval of the Iowa insurance commissioner, is limited according to statutory regulations and is a function of statutory equity and statutory income (generally, the greater of prior year statutory-basis net gain from operations or 10% of prior year-end statutory-basis surplus). The Company paid dividends of \$123,880, \$369,252 and \$122,441 in 2015, 2014 and 2013, respectively. Dividends payable in 2016 up to approximately \$285,699 will not require prior approval of regulatory authorities.

The statutory net gain from operations of the Company for the years ended December 31, 2015, 2014 and 2013, was \$369,903, \$258,889 and \$460,689, respectively, and reported surplus at December 31, 2015, 2014 and 2013, was \$2,856,992, \$2,794,217 and \$2,563,054, respectively, in accordance with statutory accounting principles.

18. OTHER RELATED PARTY TRANSACTIONS

The Company pays fees to SEI under management contracts that cover certain investment, accounting, employee benefits and management services. The Company was charged \$10,762, \$10,525 and \$11,393 in 2015, 2014 and 2013, respectively, related to these contracts.

The Company issued guaranteed investment contracts to SEI for \$102,000. These contracts are included in policyholder account balances in the accompanying consolidated balance sheet at December 31, 2015. The contracts pay 1% interest and mature in equal monthly installments over a one year period. Each installment may be renewed for an additional one year period. Interest incurred on these contracts were \$1,032, \$1,021 and \$153 in 2015, 2014 and 2013, respectively.

SEI has a noncontrolling interest in Guggenheim Capital, L.L.C. ("Guggenheim"), a diversified financial services firm that operates businesses in capital markets, investment management, insurance services and solutions, wealth management and merchant banking.

GPIM provides investment management services for the Company. During 2015, 2014 and 2013, the Company incurred expense of \$38,042, \$35,257 and \$31,616, respectively, for these investment management services. The fee is calculated based on the average fair value of invested assets under management multiplied by a contractual rate.

Guggenheim Commercial Real Estate Finance, L.L.C. (an indirect subsidiary of Guggenheim) provides commercial mortgage loan origination and servicing services for the Company. During 2015 and 2014, the Company incurred expense of \$6,643 and \$4,177, respectively, for these commercial mortgage services. The fee is calculated monthly based on the outstanding principal balance of the commercial mortgage loans and real estate owned multiplied by a contractual rate.

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(Dollars in Thousands)

The Company had a \$94,377 reverse repurchase agreement with Guggenheim Aircraft Opportunity Fund, L.P. (a limited partnership managed by Guggenheim). The reverse repurchase agreement is reported in short-term investments in the consolidated balance sheets, has an initial term of 364 days, is renewable and earns an interest rate of 4.17%. The Company earned \$3,849 and \$3,353 from this agreement in 2015 and 2014, respectively.

The Company holds various investments debt securities and limited partnership interests issued by Guggenheim and its affiliates. The debt securities are reported in fixed maturities, available-for-sale in the accompanying consolidated balance sheet. The reported value of these securities was \$716,717 and \$619,205 at December 31, 2015 and 2014, respectively. The limited partnership interests are reported in other invested assets in the accompanying consolidated balance sheet. The reported value of these interests was \$606,690 and \$648,476 at December 31, 2015 and 2014, respectively.

The Company is party to two coinsurance agreements with GLAC. See Note 11 for further discussion of these transactions.

The Company pays fees to an affiliate of Guggenheim for providing administrative services for the SRS mutual fund and variable annuity products. The Company incurred expense of \$3,297 and \$2,569 to the service company for processing and administration of the products in 2015 and 2014, respectively.

The Company is a party to a reinsurance agreement with North American. See Note 11 for further discussion of these transactions.

19. COMMITMENTS AND CONTINGENCIES

The Company has, in the normal course of business, claims and lawsuits filed against it. In some cases the damages sought are substantially in excess of contractual policy benefits. The Company believes these claims and lawsuits, either individually or in aggregate, will not materially affect the Company's financial position or results of operations.

At December 31, 2015, the Company had outstanding capital commitments to limited partnerships of \$321,209.

Under insurance guaranty fund laws, in most states insurance companies doing business therein can be assessed up to prescribed limits for policyholder losses incurred by insolvent companies. The Company does not believe such assessments will be materially different from amounts already provided for in the consolidated financial statements. Most of these laws do provide, however, that an assessment may be excused or deferred if it would threaten an insurer's own financial strength.

20. SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 28, 2016 which is the date the consolidated financial statements were available to be issued. There were no subsequent event transactions that required disclosure in the consolidated financial statements.



Midland National Life Insurance Company Separate Account A

**Financial Statements
December 31, 2015 and 2014**

Midland National Life Insurance Company
Separate Account A
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Report of Independent Registered Public Accounting Firm

To the Board of Directors of Midland National Life Insurance Company
and Midland National Life Insurance Company Separate Account A Policyowners:

In our opinion, the accompanying statement of assets and liabilities and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position for each of the sub accounts listed in Note 1 of Midland National Life Insurance Company Separate Account A at December 31, 2015 the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Midland National Life Insurance Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of the number of shares owned at December 31, 2015 by correspondence with underlying registered investment companies, provide a reasonable basis for our opinion.

April 26, 2016

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Government Money Market Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 1,710
7,036,448 shares (cost \$7,036,448)	\$ 7,036,448	Capital gains distributions	<u>-</u>
			1,710
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	885
Net assets	<u>\$ 7,036,448</u>	Mortality and expense risk	<u>27,851</u>
			28,736
		Net investment loss	(27,026)
		Realized and change in unrealized gains on investments	
		Net realized gains on investments	-
		Change in net unrealized appreciation on investments	<u>-</u>
		Net decrease in net assets resulting from operations	<u>\$ (27,026)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,688,038	\$ 7,386,343
Net decrease in net assets resulting from operations	(27,026)	(34,759)
Capital shares transactions		
Net premiums	543,620	585,188
Transfers of policy loans	155,596	(75,157)
Transfers of cost of insurance	(556,773)	(591,128)
Transfers of surrenders	(252,068)	(535,573)
Transfers of death benefits	(32,579)	-
Transfers of other terminations	(57,821)	(66,963)
Interfund and net transfers to general account	<u>1,575,461</u>	<u>(979,913)</u>
Net increase (decrease) in net assets from capital share transactions	<u>1,375,436</u>	<u>(1,663,546)</u>
Total increase (decrease) in net assets	<u>1,348,410</u>	<u>(1,698,305)</u>
Net assets at end of year	<u>\$ 7,036,448</u>	<u>\$ 5,688,038</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – High Income Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 1,139,772 shares (cost \$6,387,751)	\$ 5,641,870	Dividend income	\$ 398,187
		Capital gains distributions	<u>-</u>
			398,187
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	3,048
Net assets	<u>\$ 5,641,870</u>	Mortality and expense risk	<u>38,038</u>
			41,086
		Net investment income	357,101
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(268,242)
		Change in net unrealized depreciation on investments	<u>(447,900)</u>
		Net decrease in net assets resulting from operations	<u>\$ (359,041)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 6,447,277	\$ 6,814,943
Net (decrease) increase in net assets resulting from operations	(359,041)	53,237
Capital shares transactions		
Net premiums	465,912	379,808
Transfers of policy loans	123,222	166,702
Transfers of cost of insurance	(463,428)	(448,856)
Transfers of surrenders	(354,299)	(427,470)
Transfers of death benefits	(4,019)	-
Transfers of other terminations	(91,795)	(42,086)
Interfund and net transfers to general account	<u>(121,959)</u>	<u>(49,001)</u>
Net decrease in net assets from capital share transactions	<u>(446,366)</u>	<u>(420,903)</u>
Total decrease in net assets	<u>(805,407)</u>	<u>(367,666)</u>
Net assets at end of year	<u>\$ 5,641,870</u>	<u>\$ 6,447,277</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Equity-Income Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 927,530 shares (cost \$19,117,182)	\$ 18,977,265	Dividend income	\$ 636,396
		Capital gains distributions	<u>1,917,201</u>
			<u>2,553,597</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	12,590
Net assets	<u>\$ 18,977,265</u>	Mortality and expense risk	<u>113,653</u>
			<u>126,243</u>
		Net investment income	2,427,354
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	347,799
		Change in net unrealized depreciation on investments	<u>(3,689,963)</u>
		Net decrease in net assets resulting from operations	<u>\$ (914,810)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 21,407,733	\$ 21,025,103
Net (decrease) increase in net assets resulting from operations	(914,810)	1,640,333
Capital shares transactions		
Net premiums	1,294,524	1,397,465
Transfers of policy loans	364,917	403,311
Transfers of cost of insurance	(1,307,755)	(1,357,409)
Transfers of surrenders	(816,739)	(951,378)
Transfers of death benefits	(52,557)	-
Transfers of other terminations	(137,416)	(173,424)
Interfund and net transfers to general account	<u>(860,632)</u>	<u>(576,268)</u>
Net decrease in net assets from capital share transactions	<u>(1,515,658)</u>	<u>(1,257,703)</u>
Total (decrease) increase in net assets	<u>(2,430,468)</u>	<u>382,630</u>
Net assets at end of year	<u>\$ 18,977,265</u>	<u>\$ 21,407,733</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Growth Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 100,845
590,528 shares (cost \$25,148,006)	\$ 38,827,201	Capital gains distributions	<u>1,209,074</u>
Liabilities	<u>-</u>		<u>1,309,919</u>
Net assets	<u>\$ 38,827,201</u>	Expenses:	
		Administrative expense	22,147
		Mortality and expense risk	<u>213,332</u>
			<u>235,479</u>
		Net investment income	1,074,440
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	1,998,877
		Change in net unrealized depreciation on investments	<u>(691,102)</u>
		Net increase in net assets resulting from operations	<u>\$ 2,382,215</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 39,401,396	\$ 39,649,841
Net increase in net assets resulting from operations	2,382,215	4,214,882
Capital shares transactions		
Net premiums	2,554,723	2,873,250
Transfers of policy loans	551,178	749,275
Transfers of cost of insurance	(2,432,640)	(2,509,812)
Transfers of surrenders	(1,532,268)	(2,168,191)
Transfers of death benefits	(462,204)	(300)
Transfers of other terminations	(276,193)	(284,418)
Interfund and net transfers to general account	<u>(1,359,006)</u>	<u>(3,123,131)</u>
Net decrease in net assets from capital share transactions	<u>(2,956,410)</u>	<u>(4,463,327)</u>
Total decrease in net assets	<u>(574,195)</u>	<u>(248,445)</u>
Net assets at end of year	<u>\$ 38,827,201</u>	<u>\$ 39,401,396</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Overseas Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 153,244
572,986 shares (cost \$10,567,563)	\$ 10,932,570	Capital gains distributions	<u>11,310</u>
Liabilities	<u>-</u>		<u>164,554</u>
Net assets	<u>\$ 10,932,570</u>	Expenses:	
		Administrative expense	3,697
		Mortality and expense risk	<u>66,693</u>
			<u>70,390</u>
		Net investment income	94,164
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	411,090
		Change in net unrealized depreciation on investments	<u>(129,076)</u>
		Net increase in net assets resulting from operations	<u>\$ 376,178</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 11,181,455	\$ 12,921,417
Net increase (decrease) in net assets resulting from operations	376,178	(1,140,702)
Capital shares transactions		
Net premiums	818,174	892,359
Transfers of policy loans	259,905	272,747
Transfers of cost of insurance	(706,911)	(716,466)
Transfers of surrenders	(475,875)	(615,510)
Transfers of death benefits	(47,253)	-
Transfers of other terminations	(145,152)	(97,272)
Interfund and net transfers to general account	<u>(327,951)</u>	<u>(335,118)</u>
Net decrease in net assets from capital share transactions	<u>(625,063)</u>	<u>(599,260)</u>
Total decrease in net assets	<u>(248,885)</u>	<u>(1,739,962)</u>
Net assets at end of year	<u>\$ 10,932,570</u>	<u>\$ 11,181,455</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Mid Cap Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 123,505
717,920 shares (cost \$25,121,043)	\$ 23,440,075	Capital gains distributions	<u>3,065,206</u>
Liabilities	<u>-</u>		<u>3,188,711</u>
Net assets	<u>\$ 23,440,075</u>	Expenses:	
		Administrative expense	1,052
		Mortality and expense risk	<u>99,543</u>
			<u>100,595</u>
		Net investment income	3,088,116
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	61,465
		Change in net unrealized depreciation on investments	<u>(3,507,992)</u>
		Net decrease in net assets resulting from operations	<u>\$ (358,411)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 26,394,024	\$ 27,500,667
Net (decrease) increase in net assets resulting from operations	(358,411)	1,370,078
Capital shares transactions		
Net premiums	1,225,276	1,512,797
Transfers of policy loans	227,077	315,806
Transfers of cost of insurance	(1,182,589)	(1,203,122)
Transfers of surrenders	(1,267,923)	(1,170,710)
Transfers of death benefits	(302,057)	-
Transfers of other terminations	(231,790)	(273,471)
Interfund and net transfers to general account	<u>(1,063,532)</u>	<u>(1,658,021)</u>
Net decrease in net assets from capital share transactions	<u>(2,595,538)</u>	<u>(2,476,721)</u>
Total decrease in net assets	<u>(2,953,949)</u>	<u>(1,106,643)</u>
Net assets at end of year	<u>\$ 23,440,075</u>	<u>\$ 26,394,024</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom Income Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 5,093 shares (cost \$51,898)	\$ 54,905	Dividend income	\$ 993
		Capital gains distributions	<u>75</u>
			<u>1,068</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	1
Net assets	<u>\$ 54,905</u>	Mortality and expense risk	<u>466</u>
			<u>467</u>
		Net investment income	601
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	383
		Change in net unrealized depreciation on investments	<u>(1,646)</u>
		Net decrease in net assets resulting from operations	<u>\$ (662)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 53,550	\$ 49,068
Net (decrease) increase in net assets resulting from operations	(662)	1,423
Capital shares transactions		
Net premiums	1,091	932
Transfers of policy loans	-	-
Transfers of cost of insurance	(2,052)	(1,807)
Transfers of surrenders	-	-
Transfers of death benefits	-	-
Transfers of other terminations	-	-
Interfund and net transfers to general account	<u>2,978</u>	<u>3,934</u>
Net increase in net assets from capital share transactions	<u>2,017</u>	<u>3,059</u>
Total increase in net assets	<u>1,355</u>	<u>4,482</u>
Net assets at end of year	<u>\$ 54,905</u>	<u>\$ 53,550</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom 2010 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 0 shares (cost \$0)	\$ -	Dividend income	\$ -
		Capital gains distributions	<u>-</u>
Liabilities	<u>-</u>		<u>-</u>
Net assets	<u>\$ -</u>	Expenses:	
		Administrative expense	-
		Mortality and expense risk	<u>38</u>
			<u>38</u>
		Net investment loss	(38)
		Realized and change in unrealized gains (losses) on investments	
		Net realized losses on investments	(1,298)
		Change in net unrealized appreciation on investments	<u>-</u>
		Net decrease in net assets resulting from operations	<u>\$ (1,336)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ -	\$ 1,290
Net decrease in net assets resulting from operations	(1,336)	(27)
Capital shares transactions		
Net premiums	-	-
Transfers of policy loans	-	-
Transfers of cost of insurance	(58)	(17)
Transfers of surrenders	-	-
Transfers of death benefits	-	-
Transfers of other terminations	-	(1,246)
Interfund and net transfers to general account	<u>1,394</u>	<u>-</u>
Net increase (decrease) in net assets from capital share transactions	<u>1,336</u>	<u>(1,263)</u>
Total increase (decrease) in net assets	<u>-</u>	<u>(1,290)</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom 2015 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 19,644 shares (cost \$246,739)	\$ 240,447	Dividend income	\$ 4,505
		Capital gains distributions	<u>892</u>
			<u>5,397</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	-
Net assets	<u>\$ 240,447</u>	Mortality and expense risk	<u>229</u>
			<u>229</u>
		Net investment income	5,168
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	424
		Change in net unrealized depreciation on investments	<u>(8,965)</u>
		Net decrease in net assets resulting from operations	<u>\$ (3,373)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 55,068	\$ 41,773
Net (decrease) increase in net assets resulting from operations	(3,373)	2,212
Capital shares transactions		
Net premiums	5,150	1,519
Transfers of policy loans	220	3,681
Transfers of cost of insurance	(5,432)	(5,196)
Transfers of surrenders	-	4
Transfers of death benefits	-	-
Transfers of other terminations	-	(5,490)
Interfund and net transfers to general account	<u>188,814</u>	<u>16,565</u>
Net increase in net assets from capital share transactions	<u>188,752</u>	<u>11,083</u>
Total increase in net assets	<u>185,379</u>	<u>13,295</u>
Net assets at end of year	<u>\$ 240,447</u>	<u>\$ 55,068</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom 2020 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 29,118 shares (cost \$367,302)	\$ 362,222	Dividend income	\$ 6,914
		Capital gains distributions	<u>1,696</u>
			8,610
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	-
Net assets	<u>\$ 362,222</u>	Mortality and expense risk	<u>745</u>
			745
		Net investment income	7,865
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	3,994
		Change in net unrealized depreciation on investments	<u>(12,483)</u>
		Net decrease in net assets resulting from operations	<u>\$ (624)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 526,847	\$ 230,517
Net (decrease) increase in net assets resulting from operations	(624)	16,686
Capital shares transactions		
Net premiums	75,846	157,488
Transfers of policy loans	474	39,537
Transfers of cost of insurance	(10,706)	(11,376)
Transfers of surrenders	(190,968)	(24,149)
Transfers of death benefits	-	-
Transfers of other terminations	-	-
Interfund and net transfers to general account	<u>(38,647)</u>	<u>118,144</u>
Net (decrease) increase in net assets from capital share transactions	<u>(164,001)</u>	<u>279,644</u>
Total (decrease) increase in net assets	<u>(164,625)</u>	<u>296,330</u>
Net assets at end of year	<u>\$ 362,222</u>	<u>\$ 526,847</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom 2025 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 18,083 shares (cost \$240,772)	\$ 231,820	Dividend income	\$ 4,367
		Capital gains distributions	<u>1,216</u>
			5,583
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	-
Net assets	<u>\$ 231,820</u>	Mortality and expense risk	<u>885</u>
			885
		Net investment income	4,698
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	4,110
		Change in net unrealized depreciation on investments	<u>(10,930)</u>
		Net decrease in net assets resulting from operations	<u>\$ (2,122)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 198,946	\$ 65,749
Net (decrease) increase in net assets resulting from operations	(2,122)	3,006
Capital shares transactions		
Net premiums	14,184	12,030
Transfers of policy loans	7,379	907
Transfers of cost of insurance	(11,296)	(6,405)
Transfers of surrenders	(1,287)	(7,505)
Transfers of death benefits	-	-
Transfers of other terminations	-	(1,000)
Interfund and net transfers to general account	<u>26,016</u>	<u>132,164</u>
Net increase in net assets from capital share transactions	<u>34,996</u>	<u>130,191</u>
Total increase in net assets	<u>32,874</u>	<u>133,197</u>
Net assets at end of year	<u>\$ 231,820</u>	<u>\$ 198,946</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund I – Freedom 2030 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 57,301 shares (cost \$737,188)	\$ 726,575	Dividend income	\$ 13,051
		Capital gains distributions	<u>3,729</u>
			16,780
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	1
Net assets	<u>\$ 726,575</u>	Mortality and expense risk	<u>840</u>
			841
		Net investment income	15,939
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	4,465
		Change in net unrealized depreciation on investments	<u>(28,185)</u>
		Net decrease in net assets resulting from operations	<u>\$ (7,781)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 551,468	\$ 200,132
Net (decrease) increase in net assets resulting from operations	(7,781)	21,484
Capital shares transactions		
Net premiums	88,274	69,170
Transfers of policy loans	3,180	1,359
Transfers of cost of insurance	(13,125)	(24,043)
Transfers of surrenders	-	(38,385)
Transfers of death benefits	-	-
Transfers of other terminations	(490)	-
Interfund and net transfers to general account	<u>105,049</u>	<u>321,751</u>
Net increase in net assets from capital share transactions	<u>182,888</u>	<u>329,852</u>
Total increase in net assets	<u>175,107</u>	<u>351,336</u>
Net assets at end of year	<u>\$ 726,575</u>	<u>\$ 551,468</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund II – Asset Manager Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 328,792 shares (cost \$4,919,979)	\$ 5,181,758	Dividend income	\$ 85,517
		Capital gains distributions	<u>382,014</u>
			<u>467,531</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	6,311
Net assets	<u>\$ 5,181,758</u>	Mortality and expense risk	<u>38,041</u>
			<u>44,352</u>
		Net investment income	423,179
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	105,128
		Change in net unrealized depreciation on investments	<u>(560,256)</u>
		Net decrease in net assets resulting from operations	<u>\$ (31,949)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,635,644	\$ 5,760,231
Net (decrease) increase in net assets resulting from operations	(31,949)	282,875
Capital shares transactions		
Net premiums	318,442	360,446
Transfers of policy loans	137,729	227,775
Transfers of cost of insurance	(410,896)	(424,763)
Transfers of surrenders	(328,038)	(191,730)
Transfers of death benefits	(4,431)	-
Transfers of other terminations	(37,242)	(28,645)
Interfund and net transfers to general account	<u>(97,501)</u>	<u>(350,545)</u>
Net decrease in net assets from capital share transactions	<u>(421,937)</u>	<u>(407,462)</u>
Total decrease in net assets	<u>(453,886)</u>	<u>(124,587)</u>
Net assets at end of year	<u>\$ 5,181,758</u>	<u>\$ 5,635,644</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund II – Investment Grade Bond Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 843,776 shares (cost \$10,889,215)	\$ 10,437,509	Dividend income	\$ 277,292
		Capital gains distributions	<u>9,665</u>
			286,957
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	1,416
Net assets	<u>\$ 10,437,509</u>	Mortality and expense risk	<u>43,998</u>
			45,414
		Net investment income	241,543
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(38,817)
		Change in net unrealized depreciation on investments	<u>(303,409)</u>
		Net decrease in net assets resulting from operations	<u>\$ (100,683)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 11,411,261	\$ 11,789,494
Net (decrease) increase in net assets resulting from operations	(100,683)	567,551
Capital shares transactions		
Net premiums	603,375	687,629
Transfers of policy loans	136,029	166,754
Transfers of cost of insurance	(668,813)	(741,641)
Transfers of surrenders	(284,759)	(398,548)
Transfers of death benefits	(18,887)	-
Transfers of other terminations	(48,632)	(106,406)
Interfund and net transfers to general account	<u>(591,382)</u>	<u>(553,572)</u>
Net decrease in net assets from capital share transactions	<u>(873,069)</u>	<u>(945,784)</u>
Total decrease in net assets	<u>(973,752)</u>	<u>(378,233)</u>
Net assets at end of year	<u>\$ 10,437,509</u>	<u>\$ 11,411,261</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund II – Index 500 Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 1,174,456
278,767 shares (cost \$43,866,887)	\$ 57,545,812	Capital gains distributions	<u>39,776</u>
			1,214,232
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	8,049
Net assets	<u>\$ 57,545,812</u>	Mortality and expense risk	<u>294,526</u>
			<u>302,575</u>
		Net investment income	911,657
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	4,729,175
		Change in net unrealized depreciation on investments	<u>(5,122,860)</u>
		Net increase in net assets resulting from operations	<u>\$ 517,972</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 63,557,897	\$ 60,613,184
Net increase in net assets resulting from operations	517,972	7,512,983
Capital shares transactions		
Net premiums	4,037,065	4,226,784
Transfers of policy loans	887,423	800,487
Transfers of cost of insurance	(3,314,775)	(3,443,977)
Transfers of surrenders	(2,563,839)	(3,062,368)
Transfers of death benefits	(998,458)	-
Transfers of other terminations	(569,748)	(556,189)
Interfund and net transfers to general account	<u>(4,007,725)</u>	<u>(2,533,007)</u>
Net decrease in net assets from capital share transactions	<u>(6,530,057)</u>	<u>(4,568,270)</u>
Total (decrease) increase in net assets	<u>(6,012,085)</u>	<u>2,944,713</u>
Net assets at end of year	<u>\$ 57,545,812</u>	<u>\$ 63,557,897</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund II – Contrafund Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 539,842
1,486,486 shares (cost \$41,523,372)	\$ 50,421,595	Capital gains distributions	<u>4,746,542</u>
Liabilities	<u>-</u>		<u>5,286,384</u>
Net assets	<u>\$ 50,421,595</u>	Expenses:	
		Administrative expense	9,596
		Mortality and expense risk	<u>246,724</u>
			<u>256,320</u>
		Net investment income	5,030,064
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	2,755,334
		Change in net unrealized depreciation on investments	<u>(7,644,412)</u>
		Net increase in net assets resulting from operations	<u>\$ 140,986</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 54,337,255	\$ 50,724,087
Net increase in net assets resulting from operations	140,986	5,682,631
Capital shares transactions		
Net premiums	2,814,094	2,866,072
Transfers of policy loans	929,492	765,611
Transfers of cost of insurance	(2,474,138)	(2,524,121)
Transfers of surrenders	(2,150,335)	(2,578,434)
Transfers of death benefits	(313,296)	(303)
Transfers of other terminations	(507,620)	(378,727)
Interfund and net transfers to general account	<u>(2,354,843)</u>	<u>(219,561)</u>
Net decrease in net assets from capital share transactions	<u>(4,056,646)</u>	<u>(2,069,463)</u>
Total (decrease) increase in net assets	<u>(3,915,660)</u>	<u>3,613,168</u>
Net assets at end of year	<u>\$ 50,421,595</u>	<u>\$ 54,337,255</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund II – Asset Manager: Growth Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio,		
171,610 shares (cost \$2,521,818)	\$	3,245,148
Liabilities		-
Net assets	\$	3,245,148

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	40,729
Capital gains distributions		2,036
		42,765
Expenses:		
Administrative expense		1,712
Mortality and expense risk		18,223
		19,935
Net investment income		22,830
Realized and change in unrealized gains (losses) on investments		
Net realized gains on investments		108,287
Change in net unrealized depreciation on investments		(155,212)
Net decrease in net assets resulting from operations	\$	(24,095)

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 3,283,814	\$ 3,495,069
Net (decrease) increase in net assets resulting from operations	(24,095)	182,522
Capital shares transactions		
Net premiums	264,923	225,626
Transfers of policy loans	124,507	84,406
Transfers of cost of insurance	(263,556)	(268,650)
Transfers of surrenders	(36,369)	(181,200)
Transfers of death benefits	(61,100)	-
Transfers of other terminations	(16,592)	(52,264)
Interfund and net transfers to general account	(26,384)	(201,695)
Net decrease in net assets from capital share transactions	(14,571)	(393,777)
Total decrease in net assets	(38,666)	(211,255)
Net assets at end of year	\$ 3,245,148	\$ 3,283,814

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund III – Balanced Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 281,579 shares (cost \$4,523,842)	\$ 4,581,292	Dividend income	\$ 72,356
		Capital gains distributions	<u>136,874</u>
			<u>209,230</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	141
Net assets	<u>\$ 4,581,292</u>	Mortality and expense risk	<u>17,132</u>
			<u>17,273</u>
		Net investment income	191,957
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	57,727
		Change in net unrealized depreciation on investments	<u>(239,040)</u>
		Net increase in net assets resulting from operations	<u>\$ 10,644</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 4,553,426	\$ 4,465,295
Net increase in net assets resulting from operations	10,644	419,997
Capital shares transactions		
Net premiums	395,037	338,647
Transfers of policy loans	48,665	54,246
Transfers of cost of insurance	(331,887)	(315,203)
Transfers of surrenders	(131,074)	(276,105)
Transfers of death benefits	(34,583)	-
Transfers of other terminations	(19,931)	(39,459)
Interfund and net transfers to general account	<u>90,995</u>	<u>(93,992)</u>
Net increase (decrease) in net assets from capital share transactions	<u>17,222</u>	<u>(331,866)</u>
Total increase in net assets	<u>27,866</u>	<u>88,131</u>
Net assets at end of year	<u>\$ 4,581,292</u>	<u>\$ 4,553,426</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund III – Growth & Income Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 440,427 shares (cost \$6,393,681)	\$ 8,315,260	Dividend income	\$ 182,825
		Capital gains distributions	<u>440,445</u>
			623,270
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	455
Net assets	<u>\$ 8,315,260</u>	Mortality and expense risk	<u>42,763</u>
			43,218
		Net investment income	580,052
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	531,358
		Change in net unrealized depreciation on investments	<u>(1,343,685)</u>
		Net decrease in net assets resulting from operations	<u>\$ (232,275)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 9,251,593	\$ 9,113,910
Net (decrease) increase in net assets resulting from operations	(232,275)	872,093
Capital shares transactions		
Net premiums	671,553	631,642
Transfers of policy loans	110,127	99,845
Transfers of cost of insurance	(598,864)	(615,263)
Transfers of surrenders	(477,244)	(450,955)
Transfers of death benefits	(38,132)	-
Transfers of other terminations	(67,014)	(94,136)
Interfund and net transfers to general account	<u>(304,484)</u>	<u>(305,543)</u>
Net decrease in net assets from capital share transactions	<u>(704,058)</u>	<u>(734,410)</u>
Total (decrease) increase in net assets	<u>(936,333)</u>	<u>137,683</u>
Net assets at end of year	<u>\$ 8,315,260</u>	<u>\$ 9,251,593</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Fidelity Variable Insurance Products Fund III – Growth Opportunities Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 287,834 shares (cost \$6,481,505)	\$	9,138,740
Liabilities		-
Net assets	\$	<u>9,138,740</u>

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	16,676
Capital gains distributions		<u>915,090</u>
		<u>931,766</u>
Expenses:		
Administrative expense		686
Mortality and expense risk		<u>45,334</u>
		<u>46,020</u>
Net investment income		885,746
Realized and change in unrealized gains (losses) on investments		
Net realized gains on investments		818,918
Change in net unrealized depreciation on investments		<u>(1,258,660)</u>
Net increase in net assets resulting from operations	\$	<u>446,004</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 10,981,351	\$ 9,111,339
Net increase in net assets resulting from operations	446,004	1,071,833
Capital shares transactions		
Net premiums	655,309	635,701
Transfers of policy loans	182,247	165,359
Transfers of cost of insurance	(532,149)	(553,497)
Transfers of surrenders	(711,069)	(494,314)
Transfers of death benefits	(38,233)	-
Transfers of other terminations	(81,851)	(104,841)
Interfund and net transfers to general account	<u>(1,762,869)</u>	<u>1,149,771</u>
Net (decrease) increase in net assets from capital share transactions	<u>(2,288,615)</u>	<u>798,179</u>
Total (decrease) increase in net assets	<u>(1,842,611)</u>	<u>1,870,012</u>
Net assets at end of year	<u>\$ 9,138,740</u>	<u>\$ 10,981,351</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
American Century Variable Portfolios, Inc. – Balanced Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 365,360 shares (cost \$2,649,483)	\$ 2,531,945	Dividend income	\$ 46,352
		Capital gains distributions	<u>256,140</u>
			<u>302,492</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	85
Net assets	<u>\$ 2,531,945</u>	Mortality and expense risk	<u>9,891</u>
			<u>9,976</u>
		Net investment income	292,516
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	59,405
		Change in net unrealized depreciation on investments	<u>(428,973)</u>
		Net decrease in net assets resulting from operations	<u>\$ (77,052)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 2,820,919	\$ 2,774,411
Net (decrease) increase in net assets resulting from operations	(77,052)	249,896
Capital shares transactions		
Net premiums	162,639	196,601
Transfers of policy loans	45,322	30,863
Transfers of cost of insurance	(175,520)	(181,086)
Transfers of surrenders	(96,432)	(148,507)
Transfers of death benefits	(17,054)	-
Transfers of other terminations	(40,536)	(38,976)
Interfund and net transfers to general account	<u>(90,341)</u>	<u>(62,283)</u>
Net decrease in net assets from capital share transactions	<u>(211,922)</u>	<u>(203,388)</u>
Total (decrease) increase in net assets	<u>(288,974)</u>	<u>46,508</u>
Net assets at end of year	<u>\$ 2,531,945</u>	<u>\$ 2,820,919</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
American Century Variable Portfolios, Inc. – Capital Appreciation Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ -
467,211 shares (cost \$7,331,014)	\$ 7,017,504	Capital gains distributions	619,699
			<u>619,699</u>
Liabilities	-		
		Expenses:	
Net assets	<u>\$ 7,017,504</u>	Administrative expense	502
		Mortality and expense risk	31,975
			<u>32,477</u>
		Net investment income	587,222
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(290,000)
		Change in net unrealized depreciation on investments	<u>(153,369)</u>
		Net increase in net assets resulting from operations	<u>\$ 143,853</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 8,234,995	\$ 7,428,705
Net increase in net assets resulting from operations	143,853	287,048
Capital shares transactions		
Net premiums	397,064	546,946
Transfers of policy loans	104,858	165,791
Transfers of cost of insurance	(348,618)	(395,536)
Transfers of surrenders	(291,736)	(494,653)
Transfers of death benefits	(40,379)	-
Transfers of other terminations	(28,278)	(60,504)
Interfund and net transfers to general account	<u>(1,154,255)</u>	<u>757,198</u>
Net (decrease) increase in net assets from capital share transactions	<u>(1,361,344)</u>	<u>519,242</u>
Total (decrease) increase in net assets	<u>(1,217,491)</u>	<u>806,290</u>
Net assets at end of year	<u>\$ 7,017,504</u>	<u>\$ 8,234,995</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
American Century Variable Portfolios, Inc. – International Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 1,257,764 shares (cost \$11,713,873)	\$ 12,602,791	Dividend income	\$ 50,013
		Capital gains distributions	<u>-</u>
			50,013
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	552
Net assets	<u>\$ 12,602,791</u>	Mortality and expense risk	<u>75,848</u>
			76,400
		Net investment loss	(26,387)
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	783,295
		Change in net unrealized depreciation on investments	<u>(672,835)</u>
		Net increase in net assets resulting from operations	<u>\$ 84,073</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 13,286,902	\$ 15,136,746
Net increase (decrease) in net assets resulting from operations	84,073	(902,554)
Capital shares transactions		
Net premiums	966,864	1,060,299
Transfers of policy loans	285,104	328,054
Transfers of cost of insurance	(853,643)	(884,447)
Transfers of surrenders	(600,571)	(760,439)
Transfers of death benefits	(28,087)	(292)
Transfers of other terminations	(145,689)	(176,852)
Interfund and net transfers to general account	<u>(392,162)</u>	<u>(513,613)</u>
Net decrease in net assets from capital share transactions	<u>(768,184)</u>	<u>(947,290)</u>
Total decrease in net assets	<u>(684,111)</u>	<u>(1,849,844)</u>
Net assets at end of year	<u>\$ 12,602,791</u>	<u>\$ 13,286,902</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
American Century Variable Portfolios, Inc. – Value Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 2,612,800 shares (cost \$20,513,321)	\$ 23,123,280	Dividend income	\$ 522,176
		Capital gains distributions	<u>-</u>
			522,176
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	899
Net assets	<u>\$ 23,123,280</u>	Mortality and expense risk	<u>118,635</u>
			119,534
		Net investment income	402,642
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	1,211,063
		Change in net unrealized depreciation on investments	<u>(2,663,360)</u>
		Net decrease in net assets resulting from operations	<u>\$ (1,049,655)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 26,214,989	\$ 26,738,268
Net (decrease) increase in net assets resulting from operations	(1,049,655)	3,031,562
Capital shares transactions		
Net premiums	1,652,746	2,080,350
Transfers of policy loans	292,419	290,393
Transfers of cost of insurance	(1,290,682)	(1,300,187)
Transfers of surrenders	(1,386,652)	(1,447,498)
Transfers of death benefits	(82,036)	-
Transfers of other terminations	(289,203)	(194,245)
Interfund and net transfers to general account	<u>(938,646)</u>	<u>(2,983,654)</u>
Net decrease in net assets from capital share transactions	<u>(2,042,054)</u>	<u>(3,554,841)</u>
Total decrease in net assets	<u>(3,091,709)</u>	<u>(523,279)</u>
Net assets at end of year	<u>\$ 23,123,280</u>	<u>\$ 26,214,989</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
American Century Variable Portfolios, Inc. – Income & Growth Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 254,107 shares (cost \$1,901,712)	\$ 2,177,695	Dividend income	\$ 49,207
		Capital gains distributions	<u>203,187</u>
			<u>252,394</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	67
Net assets	<u>\$ 2,177,695</u>	Mortality and expense risk	<u>9,167</u>
			<u>9,234</u>
		Net investment income	243,160
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	139,441
		Change in net unrealized depreciation on investments	<u>(527,874)</u>
		Net decrease in net assets resulting from operations	<u>\$ (145,273)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 2,527,098	\$ 2,413,377
Net (decrease) increase in net assets resulting from operations	(145,273)	277,740
Capital shares transactions		
Net premiums	159,410	175,622
Transfers of policy loans	22,220	37,527
Transfers of cost of insurance	(129,473)	(129,802)
Transfers of surrenders	(121,592)	(92,921)
Transfers of death benefits	(19,476)	-
Transfers of other terminations	(30,659)	(21,163)
Interfund and net transfers to general account	<u>(84,560)</u>	<u>(133,282)</u>
Net decrease in net assets from capital share transactions	<u>(204,130)</u>	<u>(164,019)</u>
Total (decrease) increase in net assets	<u>(349,403)</u>	<u>113,721</u>
Net assets at end of year	<u>\$ 2,177,695</u>	<u>\$ 2,527,098</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – Growth Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 417,335 shares (cost \$13,327,933)	\$ 16,764,349	Dividend income	\$ 27,305
		Capital gains distributions	<u>950,196</u>
			<u>977,501</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	690
Net assets	<u>\$ 16,764,349</u>	Mortality and expense risk	<u>61,246</u>
			<u>61,936</u>
		Net investment income	915,565
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	809,974
		Change in net unrealized depreciation on investments	<u>(718,030)</u>
		Net increase in net assets resulting from operations	<u>\$ 1,007,509</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 16,142,539	\$ 19,071,991
Net increase in net assets resulting from operations	1,007,509	1,305,328
Capital shares transactions		
Net premiums	1,151,245	1,172,793
Transfers of policy loans	288,141	361,873
Transfers of cost of insurance	(824,920)	(849,187)
Transfers of surrenders	(717,566)	(766,062)
Transfers of death benefits	(52,916)	-
Transfers of other terminations	(185,864)	(151,012)
Interfund and net transfers to general account	<u>(43,819)</u>	<u>(4,003,185)</u>
Net decrease in net assets from capital share transactions	<u>(385,699)</u>	<u>(4,234,780)</u>
Total increase (decrease) in net assets	<u>621,810</u>	<u>(2,929,452)</u>
Net assets at end of year	<u>\$ 16,764,349</u>	<u>\$ 16,142,539</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – Investors Trust Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 60,996 shares (cost \$1,410,809)	\$ 1,621,276	Dividend income	\$ 15,062
		Capital gains distributions	<u>177,132</u>
			<u>192,194</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	16
Net assets	<u>\$ 1,621,276</u>	Mortality and expense risk	<u>5,930</u>
			<u>5,946</u>
		Net investment income	186,248
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	54,802
		Change in net unrealized depreciation on investments	<u>(241,810)</u>
		Net decrease in net assets resulting from operations	<u>\$ (760)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,702,818	\$ 1,648,471
Net (decrease) increase in net assets resulting from operations	(760)	164,554
Capital shares transactions		
Net premiums	116,777	114,359
Transfers of policy loans	16,238	18,297
Transfers of cost of insurance	(92,659)	(98,438)
Transfers of surrenders	(56,246)	(84,367)
Transfers of death benefits	(19,097)	-
Transfers of other terminations	(4,814)	(10,794)
Interfund and net transfers to general account	<u>(40,981)</u>	<u>(49,264)</u>
Net decrease in net assets from capital share transactions	<u>(80,782)</u>	<u>(110,207)</u>
Total (decrease) increase in net assets	<u>(81,542)</u>	<u>54,347</u>
Net assets at end of year	<u>\$ 1,621,276</u>	<u>\$ 1,702,818</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – New Discovery Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 427,571 shares (cost \$7,082,329)	\$ 6,623,076	Dividend income	\$ -
		Capital gains distributions	225,189
			<u>225,189</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	378
Net assets	<u>\$ 6,623,076</u>	Mortality and expense risk	28,280
			<u>28,658</u>
		Net investment income	196,531
		Realized and change in unrealized gains (losses) on investments	
		Net realized losses on investments	(469,731)
		Change in net unrealized appreciation on investments	177,030
			<u>177,030</u>
		Net decrease in net assets resulting from operations	<u>\$ (96,170)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 7,392,341	\$ 8,942,758
Net decrease in net assets resulting from operations	(96,170)	(782,580)
Capital shares transactions		
Net premiums	408,888	493,738
Transfers of policy loans	91,716	121,926
Transfers of cost of insurance	(361,755)	(387,949)
Transfers of surrenders	(423,274)	(234,849)
Transfers of death benefits	(2,955)	-
Transfers of other terminations	(59,438)	(45,752)
Interfund and net transfers to general account	<u>(326,277)</u>	<u>(714,951)</u>
Net decrease in net assets from capital share transactions	<u>(673,095)</u>	<u>(767,837)</u>
Total decrease in net assets	<u>(769,265)</u>	<u>(1,550,417)</u>
Net assets at end of year	<u>\$ 6,623,076</u>	<u>\$ 7,392,341</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – Research Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 155,389 shares (cost \$3,475,429)	\$ 4,145,789	Dividend income	\$ 31,659
		Capital gains distributions	<u>326,622</u>
			358,281
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	81
Net assets	<u>\$ 4,145,789</u>	Mortality and expense risk	<u>15,159</u>
			15,240
		Net investment income	343,041
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	161,640
		Change in net unrealized depreciation on investments	<u>(484,706)</u>
		Net increase in net assets resulting from operations	<u>\$ 19,975</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 4,321,487	\$ 4,236,797
Net increase in net assets resulting from operations	19,975	402,943
Capital shares transactions		
Net premiums	247,174	269,485
Transfers of policy loans	129,442	108,867
Transfers of cost of insurance	(213,968)	(234,943)
Transfers of surrenders	(186,010)	(197,741)
Transfers of death benefits	(6,718)	(302)
Transfers of other terminations	(23,888)	(37,584)
Interfund and net transfers to general account	<u>(141,705)</u>	<u>(226,035)</u>
Net decrease in net assets from capital share transactions	<u>(195,673)</u>	<u>(318,253)</u>
Total (decrease) increase in net assets	<u>(175,698)</u>	<u>84,690</u>
Net assets at end of year	<u>\$ 4,145,789</u>	<u>\$ 4,321,487</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – Total Return Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 12,934 shares (cost \$280,266)	\$ 292,308	Dividend income	\$ 7,127
		Capital gains distributions	<u>10,139</u>
			17,266
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	7
Net assets	<u>\$ 292,308</u>	Mortality and expense risk	<u>733</u>
			740
		Net investment income	16,526
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	9,353
		Change in net unrealized depreciation on investments	<u>(27,748)</u>
		Net decrease in net assets resulting from operations	<u>\$ (1,869)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 281,819	\$ 269,262
Net (decrease) increase in net assets resulting from operations	(1,869)	21,746
Capital shares transactions		
Net premiums	30,644	27,369
Transfers of policy loans	(1,170)	582
Transfers of cost of insurance	(15,888)	(16,070)
Transfers of surrenders	(18,890)	-
Transfers of death benefits	-	-
Transfers of other terminations	(100)	(53)
Interfund and net transfers to general account	<u>17,762</u>	<u>(21,017)</u>
Net increase (decrease) in net assets from capital share transactions	<u>12,358</u>	<u>(9,189)</u>
Total increase in net assets	<u>10,489</u>	<u>12,557</u>
Net assets at end of year	<u>\$ 292,308</u>	<u>\$ 281,819</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
MFS Variable Insurance Trust – Utilities Series

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 142,742 shares (cost \$4,232,880)	\$ 3,648,484	Dividend income	\$ 175,335
		Capital gains distributions	<u>289,560</u>
			464,895
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	140
Net assets	<u>\$ 3,648,484</u>	Mortality and expense risk	<u>21,271</u>
			21,411
		Net investment income	443,484
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	96,672
		Change in net unrealized depreciation on investments	<u>(1,177,784)</u>
		Net decrease in net assets resulting from operations	<u>\$ (637,628)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 4,416,326	\$ 3,649,871
Net (decrease) increase in net assets resulting from operations	(637,628)	428,525
Capital shares transactions		
Net premiums	358,358	337,299
Transfers of policy loans	28,579	66,240
Transfers of cost of insurance	(232,546)	(212,216)
Transfers of surrenders	(200,984)	(217,958)
Transfers of death benefits	(25,682)	-
Transfers of other terminations	(22,035)	(21,779)
Interfund and net transfers to general account	<u>(35,904)</u>	<u>386,344</u>
Net (decrease) increase in net assets from capital share transactions	<u>(130,214)</u>	<u>337,930</u>
Total (decrease) increase in net assets	<u>(767,842)</u>	<u>766,455</u>
Net assets at end of year	<u>\$ 3,648,484</u>	<u>\$ 4,416,326</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Lord Abbett Series Fund, Inc. – Growth and Income Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 128,250
315,773 shares (cost \$9,476,232)	\$ 10,171,037	Capital gains distributions	<u>549,009</u>
			<u>677,259</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	207
Net assets	<u>\$ 10,171,037</u>	Mortality and expense risk	<u>39,435</u>
			<u>39,642</u>
		Net investment income	637,617
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	1,029,679
		Change in net unrealized depreciation on investments	<u>(2,009,221)</u>
		Net decrease in net assets resulting from operations	<u>\$ (341,925)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 11,058,190	\$ 11,131,920
Net (decrease) increase in net assets resulting from operations	(341,925)	755,788
Capital shares transactions		
Net premiums	625,931	690,651
Transfers of policy loans	161,673	154,319
Transfers of cost of insurance	(614,942)	(644,960)
Transfers of surrenders	(352,472)	(515,571)
Transfers of death benefits	(24,720)	-
Transfers of other terminations	(88,143)	(95,494)
Interfund and net transfers to general account	<u>(252,555)</u>	<u>(418,463)</u>
Net decrease in net assets from capital share transactions	<u>(545,228)</u>	<u>(829,518)</u>
Total decrease in net assets	<u>(887,153)</u>	<u>(73,730)</u>
Net assets at end of year	<u>\$ 10,171,037</u>	<u>\$ 11,058,190</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Lord Abbett Series Fund, Inc. – Mid-Cap Stock Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 77,879
546,880 shares (cost \$10,536,689)	\$ 12,731,373	Capital gains distributions	<u>802,245</u>
Liabilities	<u>-</u>		<u>880,124</u>
Net assets	<u>\$ 12,731,373</u>	Expenses:	
		Administrative expense	501
		Mortality and expense risk	<u>65,475</u>
			<u>65,976</u>
		Net investment income	814,148
		Realized and change in unrealized gains	
		(losses) on investments	
		Net realized gains on investments	1,292,053
		Change in net unrealized depreciation on	
		investments	<u>(2,677,133)</u>
		Net decrease in net assets resulting from	
		operations	<u>\$ (570,932)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 14,552,152	\$ 13,966,258
Net (decrease) increase in net assets resulting from operations	(570,932)	1,466,994
Capital shares transactions		
Net premiums	799,577	947,138
Transfers of policy loans	187,893	195,260
Transfers of cost of insurance	(703,160)	(738,356)
Transfers of surrenders	(628,357)	(626,554)
Transfers of death benefits	(239,668)	-
Transfers of other terminations	(173,242)	(98,165)
Interfund and net transfers to general account	<u>(492,890)</u>	<u>(560,423)</u>
Net decrease in net assets from capital share transactions	<u>(1,249,847)</u>	<u>(881,100)</u>
Total (decrease) increase in net assets	<u>(1,820,779)</u>	<u>585,894</u>
Net assets at end of year	<u>\$ 12,731,373</u>	<u>\$ 14,552,152</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Lord Abbett Series Fund, Inc. – International Opportunities Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 628,784 shares (cost \$5,475,097)	\$	5,168,608
Liabilities		-
Net assets	\$	<u>5,168,608</u>

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	42,017
Capital gains distributions		<u>385,465</u>
		<u>427,482</u>
Expenses:		
Administrative expense		208
Mortality and expense risk		<u>25,894</u>
		<u>26,102</u>
Net investment income		401,380
Realized and change in unrealized gains (losses) on investments		
Net realized losses on investments		(266,626)
Change in net unrealized appreciation on investments		<u>359,078</u>
Net increase in net assets resulting from operations	\$	<u>493,832</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,722,050	\$ 6,379,301
Net increase (decrease) in net assets resulting from operations	493,832	(379,532)
Capital shares transactions		
Net premiums	313,338	321,026
Transfers of policy loans	76,011	62,173
Transfers of cost of insurance	(241,421)	(280,515)
Transfers of surrenders	126,598	(175,319)
Transfers of death benefits	(2,029,865)	-
Transfers of other terminations	(66,667)	(25,666)
Interfund and net transfers to general account	<u>774,732</u>	<u>(179,418)</u>
Net decrease in net assets from capital share transactions	<u>(1,047,274)</u>	<u>(277,719)</u>
Total decrease in net assets	<u>(553,442)</u>	<u>(657,251)</u>
Net assets at end of year	<u>\$ 5,168,608</u>	<u>\$ 5,722,050</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Lord Abbett Series Fund, Inc. – Calibrated Dividend Growth Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 20,255 shares (cost \$322,422)	\$ 275,463	Dividend income	\$ 5,075
		Capital gains distributions	<u>24,939</u>
			30,014
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	-
Net assets	<u>\$ 275,463</u>	Mortality and expense risk	<u>1,646</u>
			1,646
		Net investment income	28,368
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(12,719)
		Change in net unrealized depreciation on investments	<u>(23,455)</u>
		Net decrease in net assets resulting from operations	<u>\$ (7,806)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 351,320	\$ 281,502
Net (decrease) increase in net assets resulting from operations	(7,806)	61,026
Capital shares transactions		
Net premiums	25,158	27,218
Transfers of policy loans	(2,753)	10,481
Transfers of cost of insurance	(12,194)	(15,273)
Transfers of surrenders	(62,073)	(1,503)
Transfers of death benefits	-	-
Transfers of other terminations	(2,768)	(1,832)
Interfund and net transfers to general account	<u>(13,421)</u>	<u>(10,299)</u>
Net (decrease) increase in net assets from capital share transactions	<u>(68,051)</u>	<u>8,792</u>
Total (decrease) increase in net assets	<u>(75,857)</u>	<u>69,818</u>
Net assets at end of year	<u>\$ 275,463</u>	<u>\$ 351,320</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Alger Fund – Large Cap Growth Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 214,973 shares (cost \$11,928,182)	\$ 11,449,442	Dividend income	\$ -
		Capital gains distributions	<u>1,271,430</u>
			<u>1,271,430</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	297
Net assets	<u>\$ 11,449,442</u>	Mortality and expense risk	<u>66,334</u>
			<u>66,631</u>
		Net investment income	1,204,799
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	1,206,733
		Change in net unrealized depreciation on investments	<u>(2,230,569)</u>
		Net increase in net assets resulting from operations	<u>\$ 180,963</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 12,375,441	\$ 11,629,562
Net increase in net assets resulting from operations	180,963	1,216,972
Capital shares transactions		
Net premiums	772,490	823,583
Transfers of policy loans	152,316	132,802
Transfers of cost of insurance	(608,050)	(579,282)
Transfers of surrenders	(579,528)	(650,552)
Transfers of death benefits	(11,523)	-
Transfers of other terminations	(122,356)	(117,043)
Interfund and net transfers to general account	<u>(710,311)</u>	<u>(80,601)</u>
Net decrease in net assets from capital share transactions	<u>(1,106,962)</u>	<u>(471,093)</u>
Total (decrease) increase in net assets	<u>(925,999)</u>	<u>745,879</u>
Net assets at end of year	<u>\$ 11,449,442</u>	<u>\$ 12,375,441</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Alger Fund – Mid Cap Growth Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 372,643 shares (cost \$6,285,290)	\$	7,270,258
Liabilities		<u>-</u>
Net assets	\$	<u>7,270,258</u>

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	-
Capital gains distributions		<u>-</u>
		<u>-</u>
Expenses:		
Administrative expense		185
Mortality and expense risk		<u>28,767</u>
		<u>28,952</u>
Net investment loss		(28,952)
Realized and change in unrealized gains (losses) on investments		
Net realized gains on investments		651,856
Change in net unrealized depreciation on investments		<u>(751,668)</u>
Net decrease in net assets resulting from operations	\$	<u>(128,764)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 7,810,297	\$ 7,844,929
Net (decrease) increase in net assets resulting from operations	(128,764)	567,247
Capital shares transactions		
Net premiums	506,232	547,244
Transfers of policy loans	104,949	138,914
Transfers of cost of insurance	(439,910)	(434,108)
Transfers of surrenders	(342,624)	(438,085)
Transfers of death benefits	(6,391)	-
Transfers of other terminations	(82,036)	(129,040)
Interfund and net transfers to general account	<u>(151,495)</u>	<u>(286,804)</u>
Net decrease in net assets from capital share transactions	<u>(411,275)</u>	<u>(601,879)</u>
Total decrease in net assets	<u>(540,039)</u>	<u>(34,632)</u>
Net assets at end of year	<u>\$ 7,270,258</u>	<u>\$ 7,810,297</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Alger Fund – Capital Appreciation Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 181,096 shares (cost \$13,181,051)	\$	12,209,496
Liabilities		-
Net assets	\$	<u>12,209,496</u>

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	10,156
Capital gains distributions		<u>1,346,517</u>
		<u>1,356,673</u>
Expenses:		
Administrative expense		344
Mortality and expense risk		<u>45,238</u>
		<u>45,582</u>
Net investment income		1,311,091
Realized and change in unrealized losses on investments		
Net realized losses on investments		(30,512)
Change in net unrealized depreciation on investments		<u>(607,998)</u>
Net increase in net assets resulting from operations	\$	<u>672,581</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 12,115,218	\$ 15,031,430
Net increase in net assets resulting from operations	672,581	995,240
Capital shares transactions		
Net premiums	730,079	766,411
Transfers of policy loans	154,458	144,492
Transfers of cost of insurance	(534,502)	(554,419)
Transfers of surrenders	(564,704)	(717,722)
Transfers of death benefits	(22,458)	-
Transfers of other terminations	(64,919)	(113,385)
Interfund and net transfers to general account	<u>(276,257)</u>	<u>(3,436,829)</u>
Net decrease in net assets from capital share transactions	<u>(578,303)</u>	<u>(3,911,452)</u>
Total increase (decrease) in net assets	<u>94,278</u>	<u>(2,916,212)</u>
Net assets at end of year	<u>\$ 12,209,496</u>	<u>\$ 12,115,218</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Alger Fund – Small Cap Growth Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 296,188 shares (cost \$8,353,730)	\$ 6,062,970	Dividend income	\$ -
		Capital gains distributions	<u>1,766,835</u>
			<u>1,766,835</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	98
Net assets	<u>\$ 6,062,970</u>	Mortality and expense risk	<u>24,529</u>
			<u>24,627</u>
		Net investment income	1,742,208
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(25,772)
		Change in net unrealized depreciation on investments	<u>(1,942,598)</u>
		Net decrease in net assets resulting from operations	<u>\$ (226,162)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 7,181,911	\$ 7,580,246
Net decrease in net assets resulting from operations	(226,162)	(17,034)
Capital shares transactions		
Net premiums	245,315	276,146
Transfers of policy loans	60,477	82,644
Transfers of cost of insurance	(270,556)	(293,088)
Transfers of surrenders	(276,557)	(168,631)
Transfers of death benefits	(428,160)	-
Transfers of other terminations	(25,887)	(109,722)
Interfund and net transfers to general account	<u>(197,411)</u>	<u>(168,650)</u>
Net decrease in net assets from capital share transactions	<u>(892,779)</u>	<u>(381,301)</u>
Total decrease in net assets	<u>(1,118,941)</u>	<u>(398,335)</u>
Net assets at end of year	<u>\$ 6,062,970</u>	<u>\$ 7,181,911</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Invesco Variable Insurance Funds – Diversified Dividend Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 55,817 shares (cost \$1,287,202)	\$ 1,298,869	Dividend income	\$ 32,502
		Capital gains distributions	<u>-</u>
			32,502
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	109
Net assets	<u>\$ 1,298,869</u>	Mortality and expense risk	<u>10,416</u>
			10,525
		Net investment income	21,977
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(70,648)
		Change in net unrealized depreciation on investments	<u>(47,598)</u>
		Net decrease in net assets resulting from operations	<u>\$ (96,269)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 2,956,809	\$ 1,179,261
Net (decrease) increase in net assets resulting from operations	(96,269)	48,760
Capital shares transactions		
Net premiums	145,612	157,236
Transfers of policy loans	24,904	45,166
Transfers of cost of insurance	(115,494)	(116,961)
Transfers of surrenders	(32,419)	(85,794)
Transfers of death benefits	-	-
Transfers of other terminations	(32,397)	(21,702)
Interfund and net transfers to general account	<u>(1,551,877)</u>	<u>1,750,843</u>
Net (decrease) increase in net assets from capital share transactions	<u>(1,561,671)</u>	<u>1,728,788</u>
Total (decrease) increase in net assets	<u>(1,657,940)</u>	<u>1,777,548</u>
Net assets at end of year	<u>\$ 1,298,869</u>	<u>\$ 2,956,809</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Invesco Variable Insurance Funds – Global Health Care Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 106,490 shares (cost \$3,188,676)	\$ 3,381,070	Dividend income	\$ -
		Capital gains distributions	322,111
			<u>322,111</u>
Liabilities	<u>-</u>	Expenses:	
Net assets	<u>\$ 3,381,070</u>	Administrative expense	73
		Mortality and expense risk	14,445
			<u>14,518</u>
		Net investment income	307,593
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	336,296
		Change in net unrealized depreciation on investments	<u>(560,239)</u>
		Net increase in net assets resulting from operations	<u>\$ 83,650</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 3,366,909	\$ 2,639,325
Net increase in net assets resulting from operations	83,650	510,396
Capital shares transactions		
Net premiums	183,973	205,714
Transfers of policy loans	58,017	36,743
Transfers of cost of insurance	(178,267)	(161,293)
Transfers of surrenders	(157,179)	(196,260)
Transfers of death benefits	(2,020)	-
Transfers of other terminations	(36,253)	(29,663)
Interfund and net transfers to general account	<u>62,240</u>	<u>361,947</u>
Net (decrease) increase in net assets from capital share transactions	<u>(69,489)</u>	<u>217,188</u>
Total increase in net assets	<u>14,161</u>	<u>727,584</u>
Net assets at end of year	<u>\$ 3,381,070</u>	<u>\$ 3,366,909</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Invesco Variable Insurance Funds – International Growth Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 164,626 shares (cost \$5,659,785)	\$ 5,513,339	Dividend income	\$ 85,765
		Capital gains distributions	<u>-</u>
			85,765
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	182
Net assets	<u>\$ 5,513,339</u>	Mortality and expense risk	<u>28,914</u>
			29,096
		Net investment income	56,669
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	165,011
		Change in net unrealized depreciation on investments	<u>(380,039)</u>
		Net decrease in net assets resulting from operations	<u>\$ (158,359)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,786,221	\$ 6,259,020
Net (decrease) increase in net assets resulting from operations	(158,359)	15,265
Capital shares transactions		
Net premiums	507,051	405,024
Transfers of policy loans	130,371	141,044
Transfers of cost of insurance	(323,311)	(339,391)
Transfers of surrenders	(278,021)	(362,026)
Transfers of death benefits	(8,049)	-
Transfers of other terminations	(97,658)	(76,940)
Interfund and net transfers to general account	<u>(44,906)</u>	<u>(255,775)</u>
Net decrease in net assets from capital share transactions	<u>(114,523)</u>	<u>(488,064)</u>
Total decrease in net assets	<u>(272,882)</u>	<u>(472,799)</u>
Net assets at end of year	<u>\$ 5,513,339</u>	<u>\$ 5,786,221</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Van Eck Worldwide Insurance Trust – Global Hard Assets Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 509,303 shares (cost \$14,801,329)	\$ 8,597,033	Dividend income	\$ 3,277
		Capital gains distributions	<u>-</u>
			3,277
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	289
Net assets	<u>\$ 8,597,033</u>	Mortality and expense risk	<u>50,952</u>
			51,241
		Net investment loss	(47,964)
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(1,101,604)
		Change in net unrealized depreciation on investments	<u>(3,026,935)</u>
		Net decrease in net assets resulting from operations	<u>\$ (4,176,503)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 12,288,660	\$ 15,620,891
Net decrease in net assets resulting from operations	(4,176,503)	(2,932,162)
Capital shares transactions		
Net premiums	1,215,064	1,337,939
Transfers of policy loans	403,244	353,606
Transfers of cost of insurance	(869,953)	(911,718)
Transfers of surrenders	(361,973)	(529,939)
Transfers of death benefits	(479,994)	-
Transfers of other terminations	(98,674)	(100,316)
Interfund and net transfers to general account	<u>677,162</u>	<u>(549,641)</u>
Net increase (decrease) in net assets from capital share transactions	<u>484,876</u>	<u>(400,069)</u>
Total decrease in net assets	<u>(3,691,627)</u>	<u>(3,332,231)</u>
Net assets at end of year	<u>\$ 8,597,033</u>	<u>\$ 12,288,660</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
PIMCO Variable Insurance Trust – Total Return Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 2,264,639 shares (cost \$25,409,473)	\$ 23,959,878	Dividend income	\$ 1,252,598
		Capital gains distributions	<u>258,459</u>
			1,511,057
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	1,198
Net assets	<u>\$ 23,959,878</u>	Mortality and expense risk	<u>128,820</u>
			130,018
		Net investment income	1,381,039
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(30,261)
		Change in net unrealized depreciation on investments	<u>(1,338,800)</u>
		Net increase in net assets resulting from operations	<u>\$ 11,978</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 27,698,480	\$ 27,573,858
Net increase in net assets resulting from operations	11,978	979,226
Capital shares transactions		
Net premiums	2,091,154	2,552,109
Transfers of policy loans	468,484	463,237
Transfers of cost of insurance	(1,596,353)	(1,727,526)
Transfers of surrenders	(1,189,583)	(1,283,390)
Transfers of death benefits	(2,121,858)	-
Transfers of other terminations	(383,560)	(347,285)
Interfund and net transfers to general account	<u>(1,018,864)</u>	<u>(511,749)</u>
Net decrease in net assets from capital share transactions	<u>(3,750,580)</u>	<u>(854,604)</u>
Total (decrease) increase in net assets	<u>(3,738,602)</u>	<u>124,622</u>
Net assets at end of year	<u>\$ 23,959,878</u>	<u>\$ 27,698,480</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
PIMCO Variable Insurance Trust – Low Duration Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 199,024 shares (cost \$2,118,471)	\$	2,039,993
Liabilities		-
Net assets	\$	2,039,993

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	71,584
Capital gains distributions		-
		71,584
Expenses:		
Administrative expense		69
Mortality and expense risk		5,359
		5,428
Net investment income		66,156
Realized and change in unrealized losses on investments		
Net realized losses on investments		(895)
Change in net unrealized depreciation on investments		(63,627)
Net increase in net assets resulting from operations	\$	1,634

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 2,141,407	\$ 2,229,269
Net increase in net assets resulting from operations	1,634	9,199
Capital shares transactions		
Net premiums	20,610	24,098
Transfers of policy loans	9,892	8,580
Transfers of cost of insurance	(78,822)	(93,393)
Transfers of surrenders	(35,309)	(12,421)
Transfers of death benefits	-	-
Transfers of other terminations	(17,012)	(1,606)
Interfund and net transfers to general account	(2,407)	(22,319)
Net decrease in net assets from capital share transactions	(103,048)	(97,061)
Total decrease in net assets	(101,414)	(87,862)
Net assets at end of year	\$ 2,039,993	\$ 2,141,407

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
PIMCO Variable Insurance Trust – High Yield Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 341,855 shares (cost \$2,678,066)	\$ 2,481,870	Dividend income	\$ 158,876
		Capital gains distributions	<u>39,970</u>
			198,846
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	45
Net assets	<u>\$ 2,481,870</u>	Mortality and expense risk	<u>11,720</u>
			11,765
		Net investment income	187,081
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(251,141)
		Change in net unrealized depreciation on investments	<u>(79,191)</u>
		Net decrease in net assets resulting from operations	<u>\$ (143,251)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 2,855,871	\$ 2,891,330
Net (decrease) increase in net assets resulting from operations	(143,251)	160,481
Capital shares transactions		
Net premiums	177,520	897,014
Transfers of policy loans	31,618	128,632
Transfers of cost of insurance	(157,717)	(203,229)
Transfers of surrenders	(174,811)	(168,428)
Transfers of death benefits	(10,986)	-
Transfers of other terminations	(38,847)	(22,059)
Interfund and net transfers to general account	<u>(57,527)</u>	<u>(827,870)</u>
Net decrease in net assets from capital share transactions	<u>(230,750)</u>	<u>(195,940)</u>
Total decrease in net assets	<u>(374,001)</u>	<u>(35,459)</u>
Net assets at end of year	<u>\$ 2,481,870</u>	<u>\$ 2,855,871</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
PIMCO Variable Insurance Trust – Real Return Portfolio

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 359,512 shares (cost \$4,715,502)	\$	4,288,980
Liabilities		-
Net assets	\$	4,288,980

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	185,206
Capital gains distributions		-
		185,206
Expenses:		
Administrative expense		92
Mortality and expense risk		14,394
		14,486
Net investment income		170,720
Realized and change in unrealized losses on investments		
Net realized losses on investments		(63,468)
Change in net unrealized depreciation on investments		(238,814)
Net decrease in net assets resulting from operations	\$	(131,562)

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,265,101	\$ 5,317,953
Net (decrease) increase in net assets resulting from operations	(131,562)	135,328
Capital shares transactions		
Net premiums	170,831	89,277
Transfers of policy loans	18,947	57,661
Transfers of cost of insurance	(259,457)	(294,212)
Transfers of surrenders	(167,662)	(105,964)
Transfers of death benefits	(220,981)	-
Transfers of other terminations	(56,324)	(51,292)
Interfund and net transfers to general account	(329,913)	116,350
Net decrease in net assets from capital share transactions	(844,559)	(188,180)
Total decrease in net assets	(976,121)	(52,852)
Net assets at end of year	\$ 4,288,980	\$ 5,265,101

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Goldman Sachs Variable Insurance Trust – Small Cap Equity Insights Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ 11,388
319,484 shares (cost \$4,480,749)	\$ 3,706,012	Capital gains distributions	<u>481,659</u>
Liabilities	<u>-</u>		<u>493,047</u>
Net assets	<u>\$ 3,706,012</u>	Expenses:	
		Administrative expense	78
		Mortality and expense risk	<u>29,575</u>
			<u>29,653</u>
		Net investment income	463,394
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(70,202)
		Change in net unrealized depreciation on investments	<u>(486,430)</u>
		Net decrease in net assets resulting from operations	<u>\$ (93,238)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 6,412,501	\$ 4,859,411
Net (decrease) increase in net assets resulting from operations	(93,238)	52,462
Capital shares transactions		
Net premiums	319,629	292,653
Transfers of policy loans	60,675	23,582
Transfers of cost of insurance	(187,799)	(186,128)
Transfers of surrenders	(160,626)	(268,215)
Transfers of death benefits	(88)	-
Transfers of other terminations	(69,350)	(35,185)
Interfund and net transfers to general account	<u>(2,575,692)</u>	<u>1,673,921</u>
Net (decrease) increase in net assets from capital share transactions	<u>(2,613,251)</u>	<u>1,500,628</u>
Total (decrease) increase in net assets	<u>(2,706,489)</u>	<u>1,553,090</u>
Net assets at end of year	<u>\$ 3,706,012</u>	<u>\$ 6,412,501</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Goldman Sachs Variable Insurance Trust – Large Cap Value Fund

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 479,534 shares (cost \$5,926,606)	\$ 4,502,820	Dividend income	\$ 67,714
		Capital gains distributions	<u>546,602</u>
			614,316
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	116
Net assets	<u>\$ 4,502,820</u>	Mortality and expense risk	<u>26,918</u>
			27,034
		Net investment income	587,282
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(80,756)
		Change in net unrealized depreciation on investments	<u>(740,900)</u>
		Net decrease in net assets resulting from operations	<u>\$ (234,374)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 5,000,736	\$ 4,290,100
Net (decrease) increase in net assets resulting from operations	(234,374)	524,108
Capital shares transactions		
Net premiums	397,945	431,955
Transfers of policy loans	98,290	60,730
Transfers of cost of insurance	(266,877)	(262,476)
Transfers of surrenders	(232,755)	(370,397)
Transfers of death benefits	(7,799)	-
Transfers of other terminations	(100,922)	(59,303)
Interfund and net transfers to general account	<u>(151,424)</u>	<u>386,019</u>
Net (decrease) increase in net assets from capital share transactions	<u>(263,542)</u>	<u>186,528</u>
Total (decrease) increase in net assets	<u>(497,916)</u>	<u>710,636</u>
Net assets at end of year	<u>\$ 4,502,820</u>	<u>\$ 5,000,736</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Neuberger Berman Advisors Management Trust – AMT Mid Cap Intrinsic Value Portfolio

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 98,089 shares (cost \$1,758,192)	\$ 1,554,712	Dividend income	\$ 11,550
		Capital gains distributions	<u>34,418</u>
			45,968
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	38
Net assets	<u>\$ 1,554,712</u>	Mortality and expense risk	<u>7,841</u>
			7,879
		Net investment income	38,089
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	17,775
		Change in net unrealized depreciation on investments	<u>(227,252)</u>
		Net decrease in net assets resulting from operations	<u>\$ (171,388)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 988,114	\$ 883,314
Net (decrease) increase in net assets resulting from operations	(171,388)	134,561
Capital shares transactions		
Net premiums	132,385	89,198
Transfers of policy loans	9,469	20,519
Transfers of cost of insurance	(54,349)	(70,458)
Transfers of surrenders	(14,437)	(29,688)
Transfers of death benefits	-	-
Transfers of other terminations	(7,760)	(4,801)
Interfund and net transfers to general account	<u>672,678</u>	<u>(34,531)</u>
Net increase (decrease) in net assets from capital share transactions	<u>737,986</u>	<u>(29,761)</u>
Total increase in net assets	<u>566,598</u>	<u>104,800</u>
Net assets at end of year	<u>\$ 1,554,712</u>	<u>\$ 988,114</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Profunds VP - Japan

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 30,869 shares (cost \$345,979)	\$ 337,396	Dividend income	\$ -
		Capital gains distributions	-
			<u>-</u>
Liabilities	<u>-</u>		<u>-</u>
Net assets	<u>\$ 337,396</u>	Expenses:	
		Administrative expense	-
		Mortality and expense risk	714
			<u>714</u>
		Net investment loss	(714)
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	3,786
		Change in net unrealized depreciation on investments	(12,867)
			<u>(12,867)</u>
		Net decrease in net assets resulting from operations	<u>\$ (9,795)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 62,325	\$ 381,607
Net (decrease) increase in net assets resulting from operations	(9,795)	4,556
Capital shares transactions		
Net premiums	9,678	45,485
Transfers of policy loans	496	1,297
Transfers of cost of insurance	(10,613)	(27,462)
Transfers of surrenders	(566)	(6,182)
Transfers of death benefits	-	-
Transfers of other terminations	(353)	(848)
Interfund and net transfers to general account	<u>286,224</u>	<u>(336,128)</u>
Net increase (decrease) in net assets from capital share transactions	<u>284,866</u>	<u>(323,838)</u>
Total increase (decrease) in net assets	<u>275,071</u>	<u>(319,282)</u>
Net assets at end of year	<u>\$ 337,396</u>	<u>\$ 62,325</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Profunds VP – Oil & Gas

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 42,622 shares (cost \$1,915,208)	\$ 1,343,444	Dividend income	\$ 10,281
		Capital gains distributions	<u>130,036</u>
			<u>140,317</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	25
Net assets	<u>\$ 1,343,444</u>	Mortality and expense risk	<u>7,408</u>
			<u>7,433</u>
		Net investment income	132,884
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(102,192)
		Change in net unrealized depreciation on investments	<u>(424,988)</u>
		Net decrease in net assets resulting from operations	<u>\$ (394,296)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,614,935	\$ 2,033,895
Net decrease in net assets resulting from operations	(394,296)	(206,590)
Capital shares transactions		
Net premiums	191,106	230,327
Transfers of policy loans	45,172	40,005
Transfers of cost of insurance	(96,348)	(115,377)
Transfers of surrenders	(32,569)	(95,871)
Transfers of death benefits	-	-
Transfers of other terminations	(10,758)	(23,161)
Interfund and net transfers to general account	<u>26,202</u>	<u>(248,293)</u>
Net increase (decrease) in net assets from capital share transactions	<u>122,805</u>	<u>(212,370)</u>
Total decrease in net assets	<u>(271,491)</u>	<u>(418,960)</u>
Net assets at end of year	<u>\$ 1,343,444</u>	<u>\$ 1,614,935</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Profunds VP – Small-Cap Value

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio,		Dividend income	\$ -
79,717 shares (cost \$2,954,642)	\$ 2,861,854	Capital gains distributions	<u>66,491</u>
			<u>66,491</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	21
Net assets	<u>\$ 2,861,854</u>	Mortality and expense risk	<u>3,218</u>
			<u>3,239</u>
		Net investment income	63,252
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	28,439
		Change in net unrealized depreciation on investments	<u>(257,303)</u>
		Net decrease in net assets resulting from operations	<u>\$ (165,612)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 983,924	\$ 944,392
Net (decrease) increase in net assets resulting from operations	(165,612)	107,137
Capital shares transactions		
Net premiums	92,309	115,552
Transfers of policy loans	7,656	11,215
Transfers of cost of insurance	(52,292)	(53,108)
Transfers of surrenders	(33,942)	(42,150)
Transfers of death benefits	(1,303)	-
Transfers of other terminations	(7,521)	(14,784)
Interfund and net transfers to general account	<u>2,038,635</u>	<u>(84,330)</u>
Net increase (decrease) in net assets from capital share transactions	<u>2,043,542</u>	<u>(67,605)</u>
Total increase in net assets	<u>1,877,930</u>	<u>39,532</u>
Net assets at end of year	<u>\$ 2,861,854</u>	<u>\$ 983,924</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Profunds VP – Ultra Mid-Cap

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 28,165 shares (cost \$1,410,008)	\$ 1,401,205	Dividend income	\$ -
		Capital gains distributions	201,305
			<u>201,305</u>
Liabilities	<u>-</u>	Expenses:	
Net assets	<u>\$ 1,401,205</u>	Administrative expense	224
		Mortality and expense risk	7,119
			<u>7,343</u>
		Net investment income	193,962
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	196,650
		Change in net unrealized depreciation on investments	(539,469)
			<u>(539,469)</u>
		Net decrease in net assets resulting from operations	<u>\$ (148,857)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,668,613	\$ 1,782,769
Net (decrease) increase in net assets resulting from operations	(148,857)	257,855
Capital shares transactions		
Net premiums	127,300	127,348
Transfers of policy loans	7,283	3,571
Transfers of cost of insurance	(74,801)	(85,649)
Transfers of surrenders	(146,768)	(49,757)
Transfers of death benefits	-	-
Transfers of other terminations	(2,217)	(3,766)
Interfund and net transfers to general account	<u>(29,348)</u>	<u>(363,758)</u>
Net decrease in net assets from capital share transactions	<u>(118,551)</u>	<u>(372,011)</u>
Total decrease in net assets	<u>(267,408)</u>	<u>(114,156)</u>
Net assets at end of year	<u>\$ 1,401,205</u>	<u>\$ 1,668,613</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds - Balanced

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 87,020 shares (cost \$1,958,061)	\$ 1,942,285	Dividend income	\$ 45,047
		Capital gains distributions	<u>89,146</u>
			134,193
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	117
Net assets	<u>\$ 1,942,285</u>	Mortality and expense risk	<u>6,485</u>
			6,602
		Net investment income	127,591
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	60,896
		Change in net unrealized depreciation on investments	<u>(194,885)</u>
		Net decrease in net assets resulting from operations	<u>\$ (6,398)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,827,530	\$ 1,415,343
Net (decrease) increase in net assets resulting from operations	(6,398)	147,534
Capital shares transactions		
Net premiums	78,320	74,923
Transfers of policy loans	10,318	1,226
Transfers of cost of insurance	(85,482)	(70,795)
Transfers of surrenders	(31,665)	(29,099)
Transfers of death benefits	(3,961)	-
Transfers of other terminations	(660)	(3,503)
Interfund and net transfers to general account	<u>154,283</u>	<u>291,901</u>
Net increase in net assets from capital share transactions	<u>121,153</u>	<u>264,653</u>
Total increase in net assets	<u>114,755</u>	<u>412,187</u>
Net assets at end of year	<u>\$ 1,942,285</u>	<u>\$ 1,827,530</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – Total Bond Market Index

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 97,129 shares (cost \$1,151,269)	\$ 1,145,152	Dividend income	\$ 13,288
		Capital gains distributions	<u>2,492</u>
			15,780
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	20
Net assets	<u>\$ 1,145,152</u>	Mortality and expense risk	<u>2,874</u>
			<u>2,894</u>
		Net investment income	12,886
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(478)
		Change in net unrealized depreciation on investments	<u>(13,829)</u>
		Net decrease in net assets resulting from operations	<u>\$ (1,421)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 600,294	\$ 909,745
Net (decrease) increase in net assets resulting from operations	(1,421)	43,515
Capital shares transactions		
Net premiums	99,525	56,642
Transfers of policy loans	9,851	3,901
Transfers of cost of insurance	(45,777)	(51,751)
Transfers of surrenders	(56,234)	(134,355)
Transfers of death benefits	-	-
Transfers of other terminations	(6,002)	(1,545)
Interfund and net transfers to general account	<u>544,916</u>	<u>(225,858)</u>
Net increase (decrease) in net assets from capital share transactions	<u>546,279</u>	<u>(352,966)</u>
Total increase (decrease) in net assets	<u>544,858</u>	<u>(309,451)</u>
Net assets at end of year	<u>\$ 1,145,152</u>	<u>\$ 600,294</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – High Yield Bond

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 52,533 shares (cost \$409,013)	\$ 398,724	Dividend income	\$ 22,512
		Capital gains distributions	<u>692</u>
			23,204
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	32
Net assets	<u>\$ 398,724</u>	Mortality and expense risk	<u>2,458</u>
			2,490
		Net investment income	20,714
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(26,995)
		Change in net unrealized depreciation on investments	<u>(12,097)</u>
		Net decrease in net assets resulting from operations	<u>\$ (18,378)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 412,608	\$ 359,083
Net (decrease) increase in net assets resulting from operations	(18,378)	13,962
Capital shares transactions		
Net premiums	53,202	37,729
Transfers of policy loans	3,346	12,799
Transfers of cost of insurance	(36,881)	(27,477)
Transfers of surrenders	(35,200)	(2,858)
Transfers of death benefits	-	-
Transfers of other terminations	(3,544)	(6,488)
Interfund and net transfers to general account	<u>23,571</u>	<u>25,858</u>
Net increase in net assets from capital share transactions	<u>4,494</u>	<u>39,563</u>
Total (decrease) increase in net assets	<u>(13,884)</u>	<u>53,525</u>
Net assets at end of year	<u>\$ 398,724</u>	<u>\$ 412,608</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds - International

Statement of Assets and Liabilities
December 31, 2015

Assets:		
Investment in Portfolio, 769,006 shares (cost \$14,987,840)	\$	15,226,326
Liabilities		-
Net assets	\$	15,226,326

Statement of Operations
Year Ended December 31, 2015

Investment income:		
Dividend income	\$	290,745
Capital gains distributions		238,826
		<u>529,571</u>
Expenses:		
Administrative expense		510
Mortality and expense risk		59,920
		<u>60,430</u>
Net investment income		469,141
Realized and change in unrealized gains (losses) on investments		
Net realized gains on investments		658,789
Change in net unrealized depreciation on investments		(1,377,024)
		<u>(249,094)</u>
Net decrease in net assets resulting from operations	\$	(249,094)

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 15,114,260	\$ 15,468,367
Net decrease in net assets resulting from operations	(249,094)	(1,016,699)
Capital shares transactions		
Net premiums	1,238,885	1,345,138
Transfers of policy loans	146,616	170,618
Transfers of cost of insurance	(764,222)	(756,234)
Transfers of surrenders	(416,492)	(614,068)
Transfers of death benefits	(22,910)	-
Transfers of other terminations	(216,013)	(98,960)
Interfund and net transfers to general account	395,296	616,098
	<u>361,160</u>	<u>662,592</u>
Net increase in net assets from capital share transactions		
	<u>112,066</u>	<u>(354,107)</u>
Total increase (decrease) in net assets		
	<u>\$ 15,226,326</u>	<u>\$ 15,114,260</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – Mid-Cap Index

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 388,701 shares (cost \$7,006,770)	\$ 8,069,430	Dividend income	\$ 107,025
		Capital gains distributions	<u>479,614</u>
			586,639
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	278
Net assets	<u>\$ 8,069,430</u>	Mortality and expense risk	<u>34,222</u>
			34,500
		Net investment income	552,139
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	651,656
		Change in net unrealized depreciation on investments	<u>(1,327,184)</u>
		Net decrease in net assets resulting from operations	<u>\$ (123,389)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 9,033,908	\$ 9,087,107
Net (decrease) increase in net assets resulting from operations	(123,389)	1,087,819
Capital shares transactions		
Net premiums	785,400	865,062
Transfers of policy loans	89,770	96,673
Transfers of cost of insurance	(442,002)	(455,973)
Transfers of surrenders	(294,082)	(441,220)
Transfers of death benefits	(8,074)	-
Transfers of other terminations	(105,470)	(83,254)
Interfund and net transfers to general account	<u>(866,631)</u>	<u>(1,122,306)</u>
Net decrease in net assets from capital share transactions	<u>(841,089)</u>	<u>(1,141,018)</u>
Total decrease in net assets	<u>(964,478)</u>	<u>(53,199)</u>
Net assets at end of year	<u>\$ 8,069,430</u>	<u>\$ 9,033,908</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – REIT Index

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 324,022 shares (cost \$4,171,078)	\$ 4,461,783	Dividend income	\$ 84,394
		Capital gains distributions	<u>159,710</u>
			244,104
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	157
Net assets	<u>\$ 4,461,783</u>	Mortality and expense risk	<u>19,224</u>
			19,381
		Net investment income	224,723
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	109,281
		Change in net unrealized depreciation on investments	<u>(276,576)</u>
		Net increase in net assets resulting from operations	<u>\$ 57,428</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 4,609,139	\$ 2,675,184
Net increase in net assets resulting from operations	57,428	924,813
Capital shares transactions		
Net premiums	296,790	272,638
Transfers of policy loans	23,976	53,511
Transfers of cost of insurance	(218,485)	(183,552)
Transfers of surrenders	(177,191)	(99,515)
Transfers of death benefits	(46)	-
Transfers of other terminations	(37,911)	(11,503)
Interfund and net transfers to general account	<u>(91,917)</u>	<u>977,563</u>
Net (decrease) increase in net assets from capital share transactions	<u>(204,784)</u>	<u>1,009,142</u>
Total (decrease) increase in net assets	<u>(147,356)</u>	<u>1,933,955</u>
Net assets at end of year	<u>\$ 4,461,783</u>	<u>\$ 4,609,139</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – Small Company Growth

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 340,026 shares (cost \$7,338,792)	\$ 7,069,134	Dividend income	\$ 28,046
		Capital gains distributions	<u>891,023</u>
			<u>919,069</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	289
Net assets	<u>\$ 7,069,134</u>	Mortality and expense risk	<u>31,286</u>
			<u>31,575</u>
		Net investment income	887,494
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	321,617
		Change in net unrealized depreciation on investments	<u>(1,430,523)</u>
		Net decrease in net assets resulting from operations	<u>\$ (221,412)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 7,702,293	\$ 7,262,762
Net (decrease) increase in net assets resulting from operations	(221,412)	218,704
Capital shares transactions		
Net premiums	547,598	592,629
Transfers of policy loans	67,101	77,029
Transfers of cost of insurance	(323,808)	(324,532)
Transfers of surrenders	(274,293)	(397,152)
Transfers of death benefits	(6,115)	-
Transfers of other terminations	(88,379)	(72,189)
Interfund and net transfers to general account	<u>(333,851)</u>	<u>345,042</u>
Net (decrease) increase in net assets from capital share transactions	<u>(411,747)</u>	<u>220,827</u>
Total (decrease) increase in net assets	<u>(633,159)</u>	<u>439,531</u>
Net assets at end of year	<u>\$ 7,069,134</u>	<u>\$ 7,702,293</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – Short Term Investment Grade

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 198,220 shares (cost \$2,090,344)	\$ 2,091,216	Dividend income	\$ 36,746
		Capital gains distributions	<u>373</u>
			<u>37,119</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	4
Net assets	<u>\$ 2,091,216</u>	Mortality and expense risk	<u>3,963</u>
			<u>3,967</u>
		Net investment income	33,152
		Realized and change in unrealized losses on investments	
		Net realized losses on investments	(460)
		Change in net unrealized depreciation on investments	<u>(14,392)</u>
		Net increase in net assets resulting from operations	<u>\$ 18,300</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,967,860	\$ 1,830,073
Net increase in net assets resulting from operations	18,300	29,522
Capital shares transactions		
Net premiums	13,797	19,768
Transfers of policy loans	4,456	7,553
Transfers of cost of insurance	(57,907)	(49,316)
Transfers of surrenders	(5,887)	(58,876)
Transfers of death benefits	-	-
Transfers of other terminations	(999)	(639)
Interfund and net transfers to general account	<u>151,596</u>	<u>189,775</u>
Net increase in net assets from capital share transactions	<u>105,056</u>	<u>108,265</u>
Total increase in net assets	<u>123,356</u>	<u>137,787</u>
Net assets at end of year	<u>\$ 2,091,216</u>	<u>\$ 1,967,860</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company
Separate Account A
Vanguard Variable Insurance Funds – Total Stock Market Index

Statement of Assets and Liabilities December 31, 2015		Statement of Operations Year Ended December 31, 2015	
Assets:		Investment income:	
Investment in Portfolio, 60,482 shares (cost \$1,882,986)	\$ 1,939,045	Dividend income	\$ 25,957
		Capital gains distributions	<u>65,942</u>
			<u>91,899</u>
Liabilities	<u>-</u>	Expenses:	
		Administrative expense	133
Net assets	<u>\$ 1,939,045</u>	Mortality and expense risk	<u>7,416</u>
			<u>7,549</u>
		Net investment income	84,350
		Realized and change in unrealized gains (losses) on investments	
		Net realized gains on investments	128,870
		Change in net unrealized depreciation on investments	<u>(214,522)</u>
		Net decrease in net assets resulting from operations	<u>\$ (1,302)</u>

Statement of Changes in Net Assets
Years Ended December 31, 2015 and 2014

	2015	2014
Net assets at beginning of year	\$ 1,827,770	\$ 1,538,547
Net (decrease) increase in net assets resulting from operations	(1,302)	200,813
Capital shares transactions		
Net premiums	272,528	203,702
Transfers of policy loans	37,105	12,803
Transfers of cost of insurance	(126,409)	(108,932)
Transfers of surrenders	(37,788)	(196,910)
Transfers of death benefits	-	-
Transfers of other terminations	(34,324)	(8,970)
Interfund and net transfers to general account	<u>1,465</u>	<u>186,717</u>
Net increase in net assets from capital share transactions	<u>112,577</u>	<u>88,410</u>
Total increase in net assets	<u>111,275</u>	<u>289,223</u>
Net assets at end of year	<u>\$ 1,939,045</u>	<u>\$ 1,827,770</u>

The accompanying notes are an integral part of these financial statements

Midland National Life Insurance Company

Separate Account A

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

Midland National Life Separate Account A ("Separate Account"), a unit investment trust pursuant to the provisions of the Investment Company Act of 1940 as amended, is a segregated investment account of Midland National Life Insurance Company (the "Company") in accordance with the provisions of the Iowa Insurance laws. The assets and liabilities of the Separate Account are clearly identified and distinguished from the other assets and liabilities of the Company. The Separate Account is used to fund variable universal life insurance policies of the Company. The Separate Account consists of twelve insurance products, each with different characteristics. The dates in which products were introduced result in different product groups. Sammons Securities Corporation, an affiliate, served as the underwriter of the variable products until June 30, 2014. In July 2014, the Company completed the sale of Sammons Securities Corporation to a nonaffiliated company. Sammons Financial Network, an affiliate, has served as the underwriter of the variable products since July 1, 2014.

Investments

The Separate Account invests in specified portfolios of Fidelity Variable Insurance Products Fund I ("VIPF"), Fidelity Variable Insurance Products Fund II ("VIPF II"), Fidelity Variable Insurance Products Fund III ("VIPF III"), American Century Variable Portfolios, Inc. ("ACVP"), MFS Variable Insurance Trust ("MFS"), Lord Abbett Series Fund, Inc. ("LAC"), Alger Fund ("FAM"), Invesco Variable Insurance Funds ("INV"), Van Eck Worldwide Insurance Trust ("Van Eck"), PIMCO Variable Insurance Trust ("PIMCO"), Goldman Sachs Variable Insurance Trust ("Goldman"), Neuberger Berman Advisors Management Trust ("Neuberger"), ProFunds VP ("PF") and Vanguard Variable Insurance Funds ("Vanguard"), (collectively "the Funds"), each diversified open-end management companies registered under the Investment Company Act of 1940, as directed by participants. All portfolios have been in existence for more than two years.

Effective May 2, 2011, the INV Financial Services Fund was renamed the INV Dividend Growth Fund.

Effective May 1, 2012, several funds had name changes. The LAC Mid Cap Value Portfolio was renamed the LAC Mid Cap Stock Portfolio, INV Dividend Growth Fund was renamed the INV Diversified Dividend Fund, and the Neuberger Regency Portfolio was renamed the Neuberger Mid Cap Intrinsic Value Portfolio.

Effective September 27, 2012 the LAC Capital Structure Portfolio was renamed the LAC Calibrated Dividend Growth Portfolio.

Effective May 1, 2015 the Goldman Structured Small Cap Equity Fund was renamed the Goldman Small Cap Equity Insights Fund.

Effective December 1, 2015 the VIPF Money Market Portfolio was renamed the VIPF Government Money Market Portfolio.

Fair Value

Investments in shares of the Funds are valued at the net asset values (fair values) of the respective portfolios of the Funds corresponding to the investment portfolios of the Separate Account. Investment transactions are recorded on the trade date (the date the order to buy or sell is executed). Dividends are automatically reinvested in shares of the Funds.

Midland National Life Insurance Company

Separate Account A

Notes to Financial Statements

Current accounting standards define fair value as an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value standards also establish a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Financial instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Company determines the fair value of its investments, in the absence of observable market prices, using the valuation methodologies described below applied on a consistent basis. For some investments, market activity may be minimal or nonexistent and management's determination of fair value is then based on the best information available in the circumstances and may incorporate management's own assumptions, which involves a significant degree of judgment.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories.

Level 1 – Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments included in Level 1 are mutual funds. As required by the fair value measurements guidance, the Company does not adjust the quoted price for these financial instruments, even in situations where it holds a large position and a sale could reasonably impact the quoted price.

Level 2 – Fair values are based on quoted prices for similar assets or liabilities in active and inactive markets. Inactive markets involve few transactions for similar assets or liabilities and the prices are not current or price quotations vary substantially over time or among market makers, which would include some broker quotes. Level 2 inputs also include corroborated market data such as interest rate spreads, yield curves, volatilities, prepayment speeds, credit risks and default rates. The Company does not hold any Level 2 securities in the Separate Account.

Level 3 – Pricing inputs are unobservable for the financial instrument and include situations where there is little, if any, market activity for the financial instrument. These inputs may reflect the Company's estimates of the assumptions that market participants would use in valuing the financial instruments. The Company does not hold any Level 3 securities in the Separate Account.

Midland National Life Insurance Company

Separate Account A

Notes to Financial Statements

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

At December 31, 2015, the Company's investments were classified as follows:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets				
Mutual Funds	\$ 510,837,226	\$ -	\$ -	\$ 510,837,226

It is the Company's policy to recognize transfers between levels at the end of the reporting period. There were no transfers between levels for the year ended December 31, 2015.

The first-in, first-out ("FIFO") method is used to determine realized gains and losses on investments. Dividend and capital gain distributions are recorded as income on the ex-dividend date.

Federal Income Taxes

The operations of the Separate Account are included in the federal income tax return of the Company. Under the provisions of the policies, the Company has the right to charge the Separate Account for federal income tax attributable to the Separate Account. No charge is currently being made against the Separate Account for such tax since, under current law, the Company pays no tax on investment income and capital gains reflected in variable life policy reserves. However, the Company retains the right to charge for any federal income tax incurred which is attributable to the Separate Account if the law is changed. Charges for state and local taxes, if any, attributable to the Separate Account may also be made.

New and Adopted Accounting Pronouncements

In June 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-08, "Financial Services – Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements," which amends the criteria an entity would need to meet to qualify as an investment company under Accounting Standards Codification ("ASC") 946. The amendments clarify the characteristics of an investment company and provide comprehensive guidance for assessing whether an entity is an investment company. ASU 2013-08 also requires entities to disclose their status as an investment company and investment companies to measure noncontrolling ownership interests in other investment companies at fair value rather than using the equity method of accounting. The amendments in ASU 2013-08 are effective for an entity's interim and annual reporting periods in fiscal years that begin after December 15, 2013. Earlier application is prohibited. The Variable Account adopted ASU 2013-08 on January 1, 2014. The Variable Account is characterized as an investment company under ASU 2013-08. The adoption did not have a significant impact on the Variable Account's financial statements.

Accounting Pronouncements Not Yet Adopted

In August 2014, FASB issued ASU No. 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a

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Going Concern,” which is in connection with preparing financial statements for each annual and interim reporting period. An entity’s management should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). Management’s evaluation should be based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued (or at the date that the financial statements are available to be issued when applicable). The amendments in ASU 2014-15 are effective for an entity’s annual reporting period in fiscal years that end after December 15, 2016. Earlier application is prohibited. The Variable Account will adopt ASU 2014-15 and does not expect its requirements to have a significant impact on the Variable Account’s financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company evaluated subsequent events through April 26, 2016, the date the financial statements were available to be issued. Effective May 1, 2016, the Van Eck Global Hard Assets Fund will be renamed the VanEck Global Hard Assets Fund.

2. Expenses and Related Party Transactions

The Company is compensated for certain expenses as described below. The rates of each applicable charge are described in the Separate Account’s prospectus.

- A contract administration fee is charged to cover the Company’s record keeping and other administrative expenses incurred to operate the Separate Account. This fee is allocated to the individual portfolios of the Funds based on the net asset value of the portfolios in proportion to the total net asset value of the Separate Account.
- A mortality and expense risk fee is charged in return for the Company’s assumption of risks associated with adverse mortality experience or excess administrative expenses in connection with policies issued. This fee is charged directly to the individual portfolios of the Funds based on the net asset value of the portfolio.
- A transfer charge is imposed on each transfer between portfolios of the Separate Account in excess of a stipulated number of transfers in any one contract year. A deferred sales charge may be imposed in the event of a full or partial withdrawal within the stipulated number of years.
- A sales and premium tax charge is deducted from each premium payment made prior to deposit into the separate account. Total deductions from gross contract premiums received by the Company were \$2,024,898 and \$2,158,888 in 2015 and 2014, respectively.

The rates of each applicable charge depending on the product are summarized below:

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Product	M&E Charge	Expense Charge
Advanced Variable Universal Life*	0.90%	\$7 per month
Advisor Variable Universal Life*	1.40%	\$10 per month
Foundation Variable Universal Life*	0.10%	\$7 per month
Foundation Variable Universal Life 1.1* ^	0.90%	\$7 per month
Premier Variable Universal Life 1.1*	0.90%	\$7 per month
Premier Variable Universal Life 3	0.80%	\$10 per month
Survivorship Variable Universal Life*	0.50%	\$10 per month
Variable Executive Universal Life 2*	0.90%	\$6 per month
Variable Executive Universal Life*	0.90%	\$5 per month
Variable Universal Life*	0.90%	\$5 per month
Variable Universal Life 2*	0.90%	\$5 per month
Variable Universal Life 3*	0.90%	\$7 per month
Variable Universal Life 4*	0.90%	\$7 per month
Variable Universal Life -- Cash Value*	0.60%	\$12 per month
Variable Universal Life -- Cash Value 2	0.60%	\$12 per month
Variable Universal Life -- Death Benefit*	0.90%	\$8 per month

*New contracts are no longer being issued for this product

^M&E charge drops to 0.10% upon reaching the 10th anniversary

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Notes to Financial Statements

3. Purchases and Sales of Investment Securities

The aggregate cost of purchases and proceeds from sales of investments for the years ended December 31, 2015 and 2014, were as follows:

Portfolio	2015		2014	
	Purchases	Sales	Purchases	Sales
Fidelity Variable Insurance Products				
Fund I				
Government Money Market Portfolio	\$ 5,586,233	\$ 4,237,823	\$ 1,712,295	\$ 3,410,600
High Income Portfolio	7,792,171	7,881,434	2,465,289	2,550,132
Equity-Income Portfolio	3,230,559	2,318,869	2,562,932	3,062,536
Growth Portfolio	5,234,170	7,116,139	8,123,061	12,764,245
Overseas Portfolio	2,998,034	3,528,933	3,497,441	4,016,382
Mid Cap Portfolio	5,288,724	4,796,155	8,443,607	10,350,187
Freedom Income Portfolio	4,998	2,381	6,158	2,308
Freedom 2010 Portfolio	38,768	37,470	-	1,263
Freedom 2015 Portfolio	205,540	11,620	22,251	9,685
Freedom 2020 Portfolio	206,808	362,943	333,541	40,120
Freedom 2025 Portfolio	65,357	25,664	157,590	22,247
Freedom 2030 Portfolio	233,985	35,158	708,012	363,846
Fidelity Variable Insurance Products				
Fund II				
Asset Manager Portfolio	717,213	715,972	672,546	774,542
Investment Grade Bond Portfolio	2,689,360	3,320,885	11,169,757	11,925,587
Index 500 Portfolio	5,946,194	11,564,592	11,511,661	15,360,343
Contrafund Portfolio	8,310,275	7,336,857	9,096,243	9,878,044
Asset Manager: Growth Portfolio	344,848	336,587	213,337	588,783
Fidelity Variable Insurance Products				
Fund III				
Balanced Portfolio	714,972	505,795	1,318,648	1,049,338
Growth & Income Portfolio	1,087,515	1,211,521	906,885	1,527,618
Growth Opportunities Portfolio	4,585,930	5,988,800	5,816,077	5,024,495
American Century Variable				
Portfolios, Inc.				
Balanced Fund	597,302	516,709	708,641	637,781
Capital Appreciation Fund	4,862,171	5,636,296	6,747,062	4,761,291
International Fund	2,604,574	3,399,215	3,734,274	4,530,782
Value Fund	3,993,487	5,632,885	5,069,316	8,370,930
Income & Growth Fund	468,418	429,389	377,261	502,406
MFS Variable Insurance Trust				
Growth Series	4,297,240	3,767,374	2,278,924	5,506,915
Investors Trust Series	264,267	158,801	254,741	232,351
New Discovery Series	2,987,160	3,463,723	5,046,204	4,211,236
Research Series	572,073	424,706	758,843	736,929
Total Return Series	95,084	66,198	68,151	65,334
Utilities Series	1,195,238	881,967	1,146,672	594,288
Lord Abbett Series Fund, Inc.				
Growth and Income Portfolio	3,188,758	3,096,369	2,668,116	3,469,143
Mid-Cap Stock Portfolio	2,566,997	3,002,676	1,802,019	2,699,062
International Opportunities Portfolio	4,713,707	5,359,570	1,744,106	1,146,768
Calibrated Dividend Growth Portfolio	105,191	144,873	1,364,663	1,307,032

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Notes to Financial Statements

Portfolio	2015		2014	
	Purchases	Sales	Purchases	Sales
Alger Fund				
Large Cap Growth Portfolio	3,245,643	3,147,807	4,763,264	3,352,320
Mid Cap Growth Portfolio	1,765,664	2,205,906	2,330,042	2,965,990
Capital Appreciation Portfolio	4,425,759	3,692,972	10,724,339	13,019,101
Small Cap Growth Portfolio	2,689,761	1,840,333	2,995,137	2,748,250
Invesco Variable Insurance Funds				
Diversified Dividend Fund	4,128,204	5,667,898	10,177,776	8,363,909
Global Health Care Fund	1,234,123	996,018	1,009,753	692,065
International Growth Fund	896,962	954,815	3,523,975	3,949,303
Van Eck Worldwide Insurance Trust				
Global Hard Assets Fund	2,784,579	2,347,668	2,398,299	2,861,717
PIMCO Variable Insurance Trust				
Total Return Portfolio	12,542,665	14,912,206	17,785,513	18,167,625
Low Duration Portfolio	113,901	150,792	1,917,188	1,999,288
High Yield Portfolio	5,368,264	5,411,933	12,871,353	12,885,304
Real Return Portfolio	1,090,478	1,764,316	4,798,195	4,932,487
Goldman Sachs Variable Insurance Trust				
Small Cap Equity Insights Fund	5,520,307	7,670,164	8,322,460	6,335,237
Large Cap Value Fund	962,476	638,733	6,429,122	5,297,812
Neuberger Berman Advisors Management Trust				
AMT Mid Cap Intrinsic Value Portfolio	1,170,726	394,651	2,119,389	2,107,102
Profunds VP				
Japan	320,451	36,299	353,533	519,042
Oil & Gas	826,274	570,586	549,090	631,248
Small-Cap Value	2,462,247	355,452	976,326	1,006,927
Ultra Mid-Cap	966,978	891,567	545,836	926,462
Vanguard Variable Insurance Funds				
Balanced	769,845	521,102	922,372	549,582
Total Bond Market Index	2,631,935	2,072,770	4,086,550	4,418,049
High Yield Bond	3,243,713	3,218,512	1,239,038	1,181,641
International	4,716,932	3,886,651	2,911,593	2,087,117
Mid-Cap Index	1,959,804	2,248,866	1,429,017	2,204,126
REIT Index	1,038,664	1,018,725	1,894,304	628,498
Small Company Growth	1,844,088	1,368,341	2,290,310	1,137,726
Short Term Investment Grade	305,862	167,653	261,609	115,721
Total Stock Market Index	1,088,800	891,874	770,530	578,218
	<u>\$ 157,908,426</u>	<u>\$ 166,360,959</u>	<u>\$ 212,902,237</u>	<u>\$ 227,156,416</u>

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4. Summary of Changes from Unit Transactions

Transactions in units for the years ended December 31, 2015 and 2014, were as follows:

Portfolio	2015			2014		
	Purchases	Sales	Net Increase/ (Decrease)	Purchases	Sales	Net Increase/ (Decrease)
Fidelity Variable Insurance Products						
Fund I						
Government Money Market Portfolio	1,666,095	1,531,292	134,803	1,472,333	1,602,819	(130,486)
High Income Portfolio	642,419	664,426	(22,007)	257,004	269,400	(12,396)
Equity-Income Portfolio	144,393	201,066	(56,673)	265,769	288,517	(22,748)
Growth Portfolio	995,516	1,125,001	(129,485)	1,435,530	1,608,563	(173,033)
Overseas Portfolio	854,960	869,549	(14,589)	957,127	975,346	(18,219)
Mid Cap Portfolio	421,559	504,591	(83,032)	789,676	756,064	33,612
Freedom Income Portfolio	358	198	160	404	159	245
Freedom 2010 Portfolio	2,910	2,910	-	-	96	(96)
Freedom 2015 Portfolio	13,967	845	13,122	1,681	810	871
Freedom 2020 Portfolio	16,051	27,502	(11,451)	23,794	3,153	20,641
Freedom 2025 Portfolio	4,273	2,053	2,220	10,947	1,644	9,303
Freedom 2030 Portfolio	18,705	5,909	12,796	50,614	26,512	24,102
Fidelity Variable Insurance Products						
Fund II						
Asset Manager Portfolio	44,255	55,540	(11,285)	89,807	99,735	(9,928)
Investment Grade Bond Portfolio	347,290	378,285	(30,995)	711,573	671,246	40,327
Index 500 Portfolio	683,971	940,774	(256,803)	1,307,433	1,483,200	(175,767)
Contrafund Portfolio	457,044	552,261	(95,217)	821,833	748,552	73,281
Asset Manager: Growth Portfolio	58,217	58,105	112	53,811	78,137	(24,326)
Fidelity Variable Insurance Products						
Fund III						
Balanced Portfolio	49,492	44,864	4,628	85,545	94,558	(9,013)
Growth & Income Portfolio	79,462	111,322	(31,860)	118,037	151,178	(33,141)
Growth Opportunities Portfolio	377,290	499,221	(121,931)	425,293	394,812	30,481
American Century Variable						
Portfolios, Inc.						
Balanced Fund	31,324	38,401	(7,077)	52,948	56,385	(3,437)
Capital Appreciation Fund	527,500	580,998	(53,498)	666,194	640,220	25,974
International Fund	380,029	402,175	(22,146)	463,071	516,516	(53,445)
Value Fund	589,661	615,943	(26,282)	794,174	889,035	(94,861)
Income & Growth Fund	25,257	36,553	(11,296)	50,977	58,267	(7,290)
MFS Variable Insurance Trust						
Growth Series	449,470	488,670	(39,200)	382,182	613,662	(231,480)
Investors Trust Series	14,975	19,550	(4,575)	28,654	34,959	(6,305)
New Discovery Series	321,759	334,926	(13,167)	414,044	426,246	(12,202)
Research Series	40,852	51,715	(10,863)	93,676	110,772	(17,096)
Total Return Series	6,188	5,153	1,035	3,868	4,912	(1,044)
Utilities Series	73,348	81,823	(8,475)	123,602	104,805	18,797
Lord Abbett Series Fund, Inc.						
Growth and Income Portfolio	213,508	233,907	(20,399)	267,165	257,420	9,745
Mid-Cap Stock Portfolio	159,858	169,996	(10,138)	229,285	215,060	14,225
International Opportunities Portfolio	344,807	414,759	(69,952)	108,541	125,214	(16,673)
Calibrated Dividend Growth Portfolio	29,174	33,545	(4,371)	181,264	178,979	2,285

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Notes to Financial Statements

Portfolio	2015			2014		
	Purchases	Sales	Net Increase/ (Decrease)	Purchases	Sales	Net Increase/ (Decrease)
Alger Fund						
Large Cap Growth Portfolio	241,463	349,610	(108,147)	396,817	443,132	(46,315)
Mid Cap Growth Portfolio	193,538	221,032	(27,494)	294,069	338,440	(44,371)
Capital Appreciation Portfolio	601,262	635,199	(33,937)	1,092,092	1,382,379	(290,287)
Small Cap Growth Portfolio	89,504	152,952	(63,448)	138,051	166,304	(28,253)
Invesco Variable Insurance Funds						
Diversified Dividend Fund	880,338	1,036,635	(156,297)	1,475,445	1,330,957	144,488
Global Health Care Fund	47,636	48,880	(1,244)	65,791	54,390	11,401
International Growth Fund	198,715	213,324	(14,609)	626,135	670,697	(44,562)
Van Eck Worldwide Insurance Trust						
Global Hard Assets Fund	471,592	336,035	135,557	362,515	325,359	37,156
PIMCO Variable Insurance Trust						
Total Return Portfolio	1,919,437	2,144,715	(225,278)	2,697,255	2,712,670	(15,415)
Low Duration Portfolio	7,631	15,945	(8,314)	40,911	32,386	8,525
High Yield Portfolio	1,105,115	1,116,864	(11,749)	1,777,863	1,767,191	10,672
Real Return Portfolio	105,038	168,513	(63,475)	323,030	280,791	42,239
Goldman Sachs Variable Insurance Trust						
Small Cap Equity Insights Fund	695,232	866,513	(171,281)	843,269	765,673	77,596
Large Cap Value Fund	168,171	190,293	(22,122)	849,544	839,551	9,993
Neuberger Berman Advisors Management Trust						
AMT Mid Cap Intrinsic Value Portfolio	100,338	56,766	43,572	136,996	137,915	(919)
Profunds VP						
Japan	33,603	4,466	29,137	27,682	64,379	(36,697)
Oil & Gas	109,691	94,950	14,741	63,674	84,901	(21,227)
Small-Cap Value	266,413	121,857	144,556	180,600	181,826	(1,226)
Ultra Mid-Cap	52,511	64,083	(11,572)	48,457	72,413	(23,956)
Vanguard Variable Insurance Funds						
Balanced	30,301	23,252	7,049	147,356	130,800	16,556
Total Bond Market Index	221,002	177,385	43,617	321,322	349,426	(28,104)
High Yield Bond	219,666	219,810	(144)	78,416	75,771	2,645
International	484,712	474,675	10,037	374,093	332,493	41,600
Mid-Cap Index	130,950	180,457	(49,507)	132,733	204,496	(71,763)
REIT Index	63,607	79,189	(15,582)	170,713	102,175	68,538
Small Company Growth	77,436	96,834	(19,398)	116,944	105,017	11,927
Short Term Investment Grade	20,776	12,405	8,371	19,786	10,709	9,077
Total Stock Market Index	68,672	62,344	6,328	47,170	41,442	5,728
	<u>18,690,287</u>	<u>20,248,811</u>	<u>(1,558,524)</u>	<u>25,586,585</u>	<u>26,490,636</u>	<u>(904,051)</u>

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5. Financial Highlights

The Company sells a number of variable life insurance products which have unique combinations of features and fees that are charged against the contract owner's account balance. Differences in the fee structures result in a variety of unit values, expense ratios and total returns.

The following table was developed by determining which products offered by the Company have the lowest and highest total return. Only product designs within each portfolio that had units outstanding during the respective periods were considered when determining the lowest and highest total return. The summary may not reflect the minimum and maximum contract charges offered by the Company as contract owners may not have selected all available and applicable contract options.

	December 31			Year Ended December 31						
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***				
	Lowest to									
Units	Highest									
Net assets represented by										
Fidelity Variable Insurance Products										
Fund I										
Government Money Market Portfolio										
2015	607,634	\$10.02 to 19.35	\$7,036,448	0.03%	0.50% to 1.40%	-1.35% to 0.03%				
2014	472,831	10.02 to 19.56	\$5,688,038	0.01%	0.50% to 1.40%	-1.37% to 0.01%				
2013	603,317	10.03 to 19.77	\$7,386,343	0.03%	0.50% to 1.40%	-1.35% to 0.03%				
2012	674,263	10.04 to 19.99	\$8,436,858	0.16%	0.50% to 1.40%	-1.25% to 0.14%				
2011	701,100	10.26 to 20.19	\$9,133,394	0.15%	0.50% to 1.40%	-1.27% to 0.11%				
High Income Portfolio										
2015	317,632	13.10 to 42.09	\$5,641,870	6.59%	0.50% to 1.40%	-4.96% to -3.63%				
2014	339,639	13.61 to 44.15	\$6,447,277	5.76%	0.50% to 1.40%	-0.24% to 1.16%				
2013	352,035	13.46 to 44.14	\$6,814,943	5.71%	0.50% to 1.40%	4.48% to 5.95%				
2012	373,398	12.72 to 42.12	\$7,025,031	5.69%	0.50% to 1.40%	12.64% to 14.23%				
2011	405,152	12.54 to 37.29	\$6,848,110	6.99%	0.50% to 1.40%	2.60% to 4.03%				
Equity-Income Portfolio										
2015	812,391	13.31 to 81.76	\$18,977,265	3.15%	0.50% to 1.40%	-5.29% to -3.96%				
2014	869,064	13.89 to 86.08	\$21,407,733	2.84%	0.50% to 1.40%	7.22% to 8.72%				
2013	891,812	12.81 to 80.06	\$21,025,103	2.54%	0.50% to 1.40%	26.38% to 28.15%				
2012	939,878	10.02 to 63.17	\$17,885,222	3.14%	0.50% to 1.40%	15.68% to 17.31%				
2011	992,414	8.57 to 54.45	\$16,930,511	2.46%	0.50% to 1.40%	-0.42% to 0.97%				
Growth Portfolio										
2015	1,835,806	14.66 to 100.69	\$38,827,201	0.26%	0.50% to 1.40%	5.69% to 7.17%				
2014	1,965,291	13.75 to 95.00	\$39,401,396	0.18%	0.50% to 1.40%	9.76% to 11.30%				
2013	2,138,324	12.42 to 86.30	\$39,649,841	0.29%	0.50% to 1.40%	34.45% to 36.34%				
2012	2,264,956	9.15 to 64.01	\$31,046,308	0.62%	0.50% to 1.40%	13.10% to 14.69%				
2011	2,401,083	8.02 to 56.43	\$29,771,838	0.34%	0.50% to 1.40%	-1.18% to 0.20%				
Overseas Portfolio										
2015	721,302	9.69 to 39.05	\$10,932,570	1.39%	0.50% to 1.40%	2.19% to 3.62%				
2014	735,891	9.37 to 38.10	\$11,181,455	1.33%	0.50% to 1.40%	-9.35% to -8.08%				
2013	754,110	10.22 to 41.91	\$12,921,417	1.03%	0.50% to 1.40%	28.64% to 30.44%				
2012	1,346,934	7.86 to 32.49	\$18,251,637	1.45%	0.50% to 1.40%	19.07% to 20.74%				
2011	836,852	6.52 to 27.21	\$9,657,305	1.44%	0.50% to 1.40%	-18.31% to -17.16%				
Mid Cap Portfolio										
2015	1,187,586	15.76 to 34.69	\$23,440,075	0.50%	0.50% to 1.40%	-2.75% to -1.39%				
2014	1,270,618	16.02 to 35.36	\$26,394,024	0.25%	0.50% to 1.40%	4.82% to 6.29%				
2013	1,237,006	15.11 to 33.43	\$27,500,667	0.53%	0.50% to 1.40%	34.35% to 36.23%				
2012	1,147,587	11.12 to 24.68	\$19,818,576	0.64%	0.50% to 1.40%	13.24% to 14.83%				
2011	1,097,246	9.71 to 21.73	\$18,737,788	0.25%	0.50% to 1.40%	-11.85% to -10.61%				

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Notes to Financial Statements

	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
Freedom Income Portfolio						
2015	4,477	11.75 to 13.06	\$54,905	1.83%	0.50% to 1.40%	-1.72% to -0.34%
2014	4,317	11.96 to 13.11	\$53,550	1.47%	0.50% to 1.40%	2.34% to 3.78%
2013	4,072	11.68 to 12.63	\$49,068	1.45%	0.50% to 1.40%	4.09% to 5.55%
2012	3,236	11.20 to 11.97	\$37,264	1.43%	0.50% to 1.40%	5.04% to 6.52%
2011	3,618	10.68 to 11.23	\$39,584	1.04%	0.50% to 1.40%	0.23% to 1.63%
Freedom 2010 Portfolio						
2015	-	12.66 to 14.08	\$0	0.00%	0.50% to 1.40%	-1.66% to -0.29%
2014	-	12.88 to 14.12	\$0	0.00%	0.50% to 1.40%	3.08% to 4.53%
2013	96	12.49 to 13.51	\$1,290	1.64%	0.50% to 1.40%	11.92% to 13.49%
2012	107	11.16 to 11.90	\$1,275	2.45%	0.50% to 1.40%	10.23% to 11.78%
2011	61	10.13 to 10.65	\$651	0.29%	0.50% to 1.40%	-1.56% to -0.19%
Freedom 2015 Portfolio						
2015	17,107	12.64 to 14.15	\$240,447	3.05%	0.50% to 1.40%	-1.71% to -0.33%
2014	3,985	12.85 to 14.21	\$55,068	1.89%	0.50% to 1.40%	3.25% to 4.70%
2013	3,114	12.45 to 13.59	\$41,773	1.98%	0.50% to 1.40%	12.83% to 14.41%
2012	2,666	11.03 to 11.89	\$30,193	2.21%	0.50% to 1.40%	10.67% to 12.23%
2011	2,304	9.97 to 10.48	\$23,395	2.13%	0.50% to 1.40%	-1.73% to -0.36%
Freedom 2020 Portfolio						
2015	26,019	12.48 to 14.48	\$362,222	1.56%	0.50% to 1.40%	-1.65% to -0.27%
2014	37,470	12.69 to 14.54	\$526,847	2.30%	0.50% to 1.40%	3.38% to 4.82%
2013	16,829	12.27 to 13.88	\$230,517	1.96%	0.50% to 1.40%	14.41% to 16.01%
2012	15,336	10.73 to 11.98	\$169,924	2.13%	0.50% to 1.40%	11.81% to 13.38%
2011	14,870	9.59 to 10.09	\$146,264	3.11%	0.50% to 1.40%	-2.40% to -1.03%
Freedom 2025 Portfolio						
2015	16,371	12.98 to 15.20	\$231,820	2.03%	0.50% to 1.40%	-1.56% to -0.18%
2014	14,151	13.18 to 15.24	\$198,946	2.45%	0.50% to 1.40%	3.61% to 5.06%
2013	4,848	12.72 to 14.52	\$65,749	2.23%	0.50% to 1.40%	18.30% to 19.95%
2012	3,220	10.75 to 12.12	\$35,923	2.06%	0.50% to 1.40%	13.51% to 15.11%
2011	2,804	9.47 to 9.96	\$27,311	2.32%	0.50% to 1.40%	-3.46% to -2.11%
Freedom 2030 Portfolio						
2015	52,175	12.61 to 15.37	\$726,575	2.04%	0.50% to 1.40%	-1.61% to -0.24%
2014	39,379	12.82 to 15.42	\$551,468	2.28%	0.50% to 1.40%	3.51% to 4.96%
2013	15,277	12.38 to 14.71	\$200,132	1.78%	0.50% to 1.40%	19.98% to 21.66%
2012	14,696	10.32 to 12.10	\$158,569	2.22%	0.50% to 1.40%	13.98% to 15.58%
2011	14,449	9.06 to 9.52	\$135,254	2.27%	0.50% to 1.40%	-3.94% to -2.60%
Fidelity Variable Insurance Products						
Fund II						
Asset Manager Portfolio						
2015	205,071	13.79 to 49.04	\$5,181,758	1.58%	0.50% to 1.40%	-1.24% to 0.14%
2014	216,356	13.77 to 49.51	\$5,635,644	1.50%	0.50% to 1.40%	4.37% to 5.83%
2013	226,284	13.01 to 47.30	\$5,760,231	1.57%	0.50% to 1.40%	14.11% to 15.71%
2012	232,960	11.24 to 41.34	\$5,343,012	1.54%	0.50% to 1.40%	10.92% to 12.48%
2011	247,588	9.99 to 37.16	\$5,244,325	1.95%	0.50% to 1.40%	-3.90% to -2.56%
Investment Grade Bond Portfolio						
2015	666,860	11.95 to 32.89	\$10,437,509	2.54%	0.50% to 1.40%	-1.97% to -0.60%
2014	697,855	12.04 to 33.46	\$11,411,261	2.14%	0.50% to 1.40%	4.37% to 5.83%
2013	657,528	11.38 to 31.97	\$11,789,494	2.39%	0.50% to 1.40%	-3.13% to -1.78%
2012	623,443	11.60 to 32.91	\$12,046,444	2.32%	0.50% to 1.40%	4.43% to 5.90%
2011	640,454	12.79 to 31.42	\$12,455,377	3.29%	0.50% to 1.40%	5.86% to 7.33%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
Index 500 Portfolio						
2015	2,924,911	16.17 to 54.51	\$57,545,812	1.94%	0.50% to 1.40%	-0.06% to 1.33%
2014	3,181,714	15.99 to 54.39	\$63,557,897	1.61%	0.50% to 1.40%	12.00% to 13.57%
2013	3,357,481	14.12 to 48.43	\$60,613,184	1.90%	0.50% to 1.40%	30.42% to 32.24%
2012	3,545,278	10.70 to 37.03	\$49,308,036	2.13%	0.50% to 1.40%	14.31% to 15.92%
2011	3,727,637	9.26 to 32.30	\$46,356,991	1.95%	0.50% to 1.40%	0.63% to 2.04%
Contrafund Portfolio						
2015	2,302,896	15.17 to 60.13	\$50,421,595	1.03%	0.50% to 1.40%	-0.72% to 0.67%
2014	2,398,113	15.11 to 60.40	\$54,337,255	0.96%	0.50% to 1.40%	10.40% to 11.94%
2013	2,324,832	13.53 to 54.55	\$50,724,087	1.10%	0.50% to 1.40%	29.47% to 31.29%
2012	2,225,675	10.33 to 42.01	\$39,157,854	1.37%	0.50% to 1.40%	14.80% to 16.42%
2011	2,282,724	8.90 to 36.49	\$36,666,399	1.00%	0.50% to 1.40%	-3.87% to -2.53%
Asset Manager: Growth Portfolio						
2015	188,476	13.59 to 30.90	\$3,245,148	1.25%	0.50% to 1.40%	-1.30% to 0.08%
2014	188,364	13.58 to 31.22	\$3,283,814	1.06%	0.50% to 1.40%	4.41% to 5.87%
2013	212,690	12.82 to 29.81	\$3,495,069	1.00%	0.50% to 1.40%	20.72% to 30.23%
2012	231,797	10.47 to 24.62	\$3,216,086	1.40%	0.50% to 1.40%	13.85% to 15.45%
2011	260,639	9.07 to 21.57	\$3,172,814	1.68%	0.50% to 1.40%	-7.46% to -6.17%
Fidelity Variable Insurance Products						
Fund III						
Balanced Portfolio						
2015	257,918	15.61 to 25.50	\$4,581,292	1.58%	0.50% to 1.40%	-0.80% to 0.59%
2014	253,290	15.56 to 25.58	\$4,553,426	1.46%	0.50% to 1.40%	8.74% to 10.26%
2013	262,303	14.14 to 23.41	\$4,465,295	1.56%	0.50% to 1.40%	18.01% to 19.66%
2012	248,311	11.85 to 19.74	\$3,881,752	1.71%	0.50% to 1.40%	13.47% to 15.07%
2011	259,218	10.32 to 17.32	\$3,679,148	1.64%	0.50% to 1.40%	-4.94% to -3.61%
Growth & Income Portfolio						
2015	448,380	14.59 to 27.88	\$8,315,260	2.08%	0.50% to 1.40%	-3.62% to -2.27%
2014	480,240	14.97 to 28.84	\$9,251,593	1.73%	0.50% to 1.40%	8.95% to 10.47%
2013	513,381	13.58 to 26.40	\$9,113,910	1.91%	0.50% to 1.40%	31.72% to 33.56%
2012	527,805	10.20 to 19.98	\$7,274,248	2.26%	0.50% to 1.40%	16.92% to 18.56%
2011	573,137	8.62 to 17.04	\$6,860,702	1.78%	0.50% to 1.40%	0.21% to 1.61%
Growth Opportunities Portfolio						
2015	532,051	16.19 to 23.22	\$9,138,740	0.17%	0.50% to 1.40%	4.15% to 5.61%
2014	653,982	15.37 to 22.23	\$10,981,351	0.28%	0.50% to 1.40%	10.65% to 12.20%
2013	623,501	13.73 to 20.03	\$9,111,339	0.30%	0.50% to 1.40%	36.00% to 37.90%
2012	682,310	9.98 to 14.69	\$7,253,982	0.44%	0.50% to 1.40%	17.95% to 19.61%
2011	705,959	8.37 to 12.42	\$6,310,384	0.16%	0.50% to 1.40%	0.89% to 2.30%
American Century Variable Portfolios, Inc.						
Balanced Fund						
2015	151,975	14.96 to 24.67	\$2,531,945	1.73%	0.50% to 1.40%	-3.92% to -2.67%
2014	159,052	15.39 to 25.55	\$2,820,919	1.53%	0.50% to 1.40%	8.34% to 9.74%
2013	162,489	14.05 to 23.47	\$2,774,411	1.60%	0.50% to 1.40%	15.81% to 17.31%
2012	163,974	11.99 to 20.17	\$2,596,036	2.10%	0.50% to 1.40%	10.25% to 11.52%
2011	167,671	10.75 to 18.20	\$2,541,169	1.91%	0.50% to 1.40%	3.88% to 5.07%
Capital Appreciation Fund						
2015	354,123	15.25 to 38.00	\$7,017,504	0.00%	0.50% to 1.40%	0.52% to 1.93%
2014	407,621	15.00 to 37.69	\$8,234,995	0.00%	0.50% to 1.40%	6.65% to 8.14%
2013	381,647	13.90 to 35.24	\$7,428,705	0.00%	0.50% to 1.40%	29.12% to 30.92%
2012	395,233	10.64 to 27.22	\$6,102,498	0.00%	0.50% to 1.40%	14.39% to 16.00%
2011	394,175	9.20 to 23.72	\$5,713,175	0.00%	0.50% to 1.40%	-7.80% to -6.51%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
International Fund						
2015	939,851	10.05 to 20.37	\$12,602,791	0.39%	0.50% to 1.40%	-0.63% to 0.76%
2014	961,997	10.00 to 20.44	\$13,286,902	1.71%	0.50% to 1.40%	-6.81% to -5.51%
2013	1,015,442	10.61 to 21.87	\$15,136,746	1.71%	0.50% to 1.40%	20.72% to 22.41%
2012	1,089,056	8.69 to 18.07	\$13,499,090	0.85%	0.50% to 1.40%	19.48% to 21.16%
2011	1,150,791	7.19 to 15.08	\$12,200,488	1.46%	0.50% to 1.40%	-13.25% to -12.04%
Value Fund						
2015	1,058,273	15.91 to 35.03	\$23,123,280	2.12%	0.50% to 1.40%	-5.21% to -3.88%
2014	1,084,555	16.59 to 36.85	\$26,214,989	1.49%	0.50% to 1.40%	11.52% to 13.08%
2013	1,179,416	14.71 to 32.95	\$26,738,268	1.72%	0.50% to 1.40%	29.91% to 31.73%
2012	1,231,810	11.20 to 25.29	\$22,712,813	1.80%	0.50% to 1.40%	12.99% to 14.58%
2011	1,361,084	9.80 to 22.32	\$23,843,287	1.74%	0.50% to 1.40%	-0.38% to 1.01%
Income & Growth Fund						
2015	131,387	14.71 to 21.53	\$2,177,695	2.09%	0.50% to 1.40%	-6.92% to -5.71%
2014	142,683	15.63 to 23.01	\$2,527,098	2.01%	0.50% to 1.40%	10.95% to 12.39%
2013	149,973	13.92 to 20.64	\$2,413,377	2.26%	0.50% to 1.40%	33.95% to 35.68%
2012	154,411	10.28 to 15.33	\$1,867,726	2.12%	0.50% to 1.40%	13.15% to 14.46%
2011	169,860	8.98 to 13.48	\$1,843,450	1.56%	0.50% to 1.40%	1.69% to 2.86%
MFS Variable Insurance Trust						
Growth Series						
2015	974,545	12.80 to 26.48	\$16,764,349	0.17%	0.50% to 1.40%	6.07% to 7.56%
2014	1,013,745	11.96 to 24.84	\$16,142,539	0.09%	0.50% to 1.40%	7.44% to 8.94%
2013	1,245,225	11.03 to 23.00	\$19,071,991	0.21%	0.50% to 1.40%	34.96% to 36.85%
2012	1,255,161	8.10 to 16.96	\$13,719,318	0.00%	0.50% to 1.40%	15.76% to 17.39%
2011	1,288,951	6.94 to 14.58	\$12,284,658	0.20%	0.50% to 1.40%	-1.70% to -0.32%
Investors Trust Series						
2015	94,538	15.79 to 20.65	\$1,621,276	0.91%	0.50% to 1.40%	-1.17% to 0.12%
2014	99,113	15.80 to 20.81	\$1,702,818	0.90%	0.50% to 1.40%	9.47% to 10.90%
2013	105,418	14.27 to 19.01	\$1,648,471	1.07%	0.50% to 1.40%	30.23% to 31.92%
2012	111,338	10.83 to 14.60	\$1,336,494	0.91%	0.50% to 1.40%	17.53% to 18.88%
2011	114,052	9.11 to 12.42	\$1,194,365	0.96%	0.50% to 1.40%	-3.53% to -2.42%
New Discovery Series						
2015	347,022	14.66 to 40.28	\$6,623,076	0.00%	0.50% to 1.40%	-3.24% to -1.89%
2014	360,189	14.96 to 41.42	\$7,392,341	0.00%	0.50% to 1.40%	-8.54% to -7.26%
2013	372,391	16.14 to 45.06	\$8,942,758	0.00%	0.50% to 1.40%	39.57% to 41.52%
2012	393,403	11.42 to 32.13	\$7,190,703	0.00%	0.50% to 1.40%	19.54% to 21.22%
2011	370,234	12.03 to 26.74	\$6,108,354	0.00%	0.50% to 1.40%	-11.50% to -10.27%
Research Series						
2015	239,386	16.30 to 22.97	\$4,145,789	0.75%	0.50% to 1.40%	-0.59% to 0.80%
2014	250,249	16.21 to 22.99	\$4,321,487	0.83%	0.50% to 1.40%	8.68% to 10.20%
2013	267,345	14.75 to 21.05	\$4,236,797	0.33%	0.50% to 1.40%	30.46% to 32.28%
2012	281,903	11.17 to 16.05	\$3,440,212	0.81%	0.50% to 1.40%	15.64% to 17.27%
2011	305,358	9.55 to 13.81	\$3,318,049	0.88%	0.50% to 1.40%	-1.82% to -0.45%
Total Return Series						
2015	20,379	12.74 to 15.14	\$292,308	2.48%	0.50% to 1.40%	-1.75% to -0.37%
2014	19,344	12.97 to 15.21	\$281,819	1.97%	0.50% to 1.40%	7.00% to 8.50%
2013	20,388	12.12 to 14.03	\$269,262	1.85%	0.50% to 1.40%	17.40% to 19.05%
2012	18,668	10.32 to 11.80	\$207,330	2.98%	0.50% to 1.40%	9.71% to 11.26%
2011	21,083	9.41 to 10.48	\$208,576	2.70%	0.50% to 1.40%	0.37% to 1.77%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
Utilities Series						
2015	273,084	12.51 to 15.54	\$3,648,484	4.35%	0.50% to 1.40%	-15.70% to -14.52%
2014	281,559	14.84 to 18.20	\$4,416,326	2.14%	0.50% to 1.40%	11.18% to 12.73%
2013	262,762	13.35 to 16.16	\$3,649,871	2.49%	0.50% to 1.40%	18.85% to 20.52%
2012	263,001	11.23 to 13.42	\$3,029,209	6.84%	0.50% to 1.40%	11.91% to 13.48%
2011	295,813	9.90 to 10.45	\$3,032,912	3.17%	0.50% to 1.40%	5.31% to 6.78%
Lord Abbett Series Fund, Inc.						
Growth and Income Portfolio						
2015	648,900	12.94 to 24.96	\$10,171,037	1.21%	0.50% to 1.40%	-4.20% to -2.86%
2014	669,299	13.36 to 25.93	\$11,058,190	0.69%	0.50% to 1.40%	6.17% to 7.65%
2013	659,554	12.44 to 24.30	\$11,131,920	0.58%	0.50% to 1.40%	34.02% to 35.90%
2012	686,199	9.18 to 18.04	\$8,978,466	0.98%	0.50% to 1.40%	10.53% to 12.09%
2011	688,183	8.21 to 16.24	\$8,712,909	0.72%	0.50% to 1.40%	-7.37% to -6.08%
Mid-Cap Stock Portfolio						
2015	625,907	14.48 to 38.39	\$12,731,373	0.57%	0.50% to 1.40%	-5.12% to -3.79%
2014	636,045	15.08 to 40.10	\$14,552,152	0.44%	0.50% to 1.40%	9.99% to 11.53%
2013	621,820	13.56 to 36.14	\$13,966,258	0.42%	0.50% to 1.40%	28.52% to 30.32%
2012	628,278	10.43 to 27.87	\$11,723,841	0.67%	0.50% to 1.40%	12.96% to 14.55%
2011	606,339	9.13 to 24.45	\$11,229,318	0.21%	0.50% to 1.40%	-5.33% to -4.01%
International Opportunities Portfolio						
2015	339,961	11.71 to 19.39	\$5,168,608	0.77%	0.50% to 1.40%	9.56% to 11.10%
2014	409,913	10.56 to 17.70	\$5,722,050	1.32%	0.50% to 1.40%	-7.06% to -5.76%
2013	426,586	11.24 to 19.04	\$6,379,301	1.89%	0.50% to 1.40%	29.88% to 31.70%
2012	449,475	8.55 to 14.66	\$5,217,368	2.04%	0.50% to 1.40%	18.71% to 20.38%
2011	458,721	7.12 to 12.35	\$4,534,768	0.98%	0.50% to 1.40%	-16.88% to -15.72%
Calibrated Dividend Growth Portfolio						
2015	18,027	13.87 to 16.93	\$275,463	1.62%	0.50% to 1.40%	-3.48% to -2.13%
2014	22,398	14.37 to 17.30	\$351,320	1.84%	0.50% to 1.40%	10.00% to 11.54%
2013	20,113	13.06 to 15.51	\$281,502	2.20%	0.50% to 1.40%	26.16% to 27.93%
2012	11,434	10.35 to 12.12	\$124,053	3.10%	0.50% to 1.40%	10.89% to 12.46%
2011	11,917	9.34 to 10.78	\$115,608	2.78%	0.50% to 1.40%	-1.19% to 0.19%
Alger Fund						
Large Cap Growth Portfolio						
2015	779,397	12.71 to 19.44	\$11,449,442	0.00%	0.50% to 1.40%	0.31% to 1.72%
2014	887,544	12.61 to 19.38	\$12,375,441	0.16%	0.50% to 1.40%	9.45% to 10.99%
2013	933,859	11.47 to 17.71	\$11,629,562	0.79%	0.50% to 1.40%	33.22% to 35.08%
2012	1,016,757	8.56 to 13.29	\$9,166,592	1.22%	0.50% to 1.40%	8.34% to 9.87%
2011	1,110,636	7.87 to 12.27	\$9,067,565	1.01%	0.50% to 1.40%	-1.72% to -0.35%
Mid Cap Growth Portfolio						
2015	504,141	11.74 to 17.90	\$7,270,258	0.00%	0.50% to 1.40%	-2.92% to -1.56%
2014	531,635	11.95 to 18.39	\$7,810,297	0.00%	0.50% to 1.40%	6.52% to 8.01%
2013	576,006	11.09 to 17.22	\$7,844,929	0.33%	0.50% to 1.40%	33.97% to 35.84%
2012	645,119	8.19 to 12.82	\$6,434,765	0.00%	0.50% to 1.40%	14.60% to 16.21%
2011	670,689	7.06 to 11.15	\$5,991,591	0.34%	0.50% to 1.40%	-9.54% to -8.27%
Capital Appreciation Portfolio						
2015	640,059	17.66 to 30.64	\$12,209,496	0.08%	0.50% to 1.40%	4.72% to 6.19%
2014	673,996	16.78 to 29.25	\$12,115,218	0.08%	0.50% to 1.40%	12.18% to 13.75%
2013	964,283	14.88 to 26.08	\$15,031,430	0.42%	0.50% to 1.40%	33.32% to 35.19%
2012	745,560	11.11 to 19.56	\$8,466,137	1.10%	0.50% to 1.40%	16.66% to 18.30%
2011	813,272	9.48 to 16.77	\$7,855,345	0.15%	0.50% to 1.40%	-1.68% to -0.30%

Midland National Life Insurance Company

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
SmallCap Growth Portfolio						
2015	417,460	13.65 to 21.63	\$6,062,970	0.00%	0.50% to 1.40%	-4.65% to -3.41%
2014	480,908	14.21 to 22.68	\$7,181,911	0.00%	0.50% to 1.40%	-0.95% to 0.34%
2013	509,161	14.18 to 22.90	\$7,580,246	0.00%	0.50% to 1.40%	32.41% to 34.13%
2012	559,677	10.59 to 17.29	\$6,109,787	0.00%	0.50% to 1.40%	10.94% to 12.22%
2011	596,913	9.44 to 15.59	\$5,861,398	0.00%	0.50% to 1.40%	-4.52% to -3.42%
Invesco Variable Insurance Funds						
Diversified Dividend Fund						
2015	108,959	8.85 to 16.77	\$1,298,869	1.53%	0.50% to 1.40%	0.66% to 2.07%
2014	265,256	8.79 to 16.45	\$2,956,809	4.71%	0.50% to 1.40%	11.27% to 12.83%
2013	120,768	7.90 to 14.60	\$1,179,261	2.39%	0.50% to 1.40%	29.23% to 31.04%
2012	123,645	6.12 to 11.15	\$871,740	2.13%	0.50% to 1.40%	17.08% to 18.73%
2011	122,080	5.22 to 6.38	\$711,289	0.20%	0.50% to 1.40%	-3.44% to -2.09%
Global Health Care Fund						
2015	148,074	14.78 to 28.05	\$3,381,070	0.00%	0.50% to 1.40%	1.74% to 3.16%
2014	149,318	14.37 to 27.32	\$3,366,909	0.00%	0.50% to 1.40%	18.02% to 19.67%
2013	137,917	12.04 to 22.95	\$2,639,325	0.72%	0.50% to 1.40%	38.60% to 40.54%
2012	116,848	8.59 to 16.41	\$1,640,184	0.00%	0.50% to 1.40%	19.22% to 20.90%
2011	110,823	7.12 to 13.64	\$1,389,446	0.00%	0.50% to 1.40%	2.52% to 3.95%
International Growth Fund						
2015	482,656	10.29 to 13.67	\$5,513,339	1.52%	0.50% to 1.40%	-3.69% to -2.34%
2014	497,265	10.68 to 14.01	\$5,786,221	1.60%	0.50% to 1.40%	-1.05% to 0.33%
2013	541,827	10.80 to 13.98	\$6,259,020	1.18%	0.50% to 1.40%	17.37% to 19.01%
2012	591,379	9.20 to 11.76	\$5,699,167	1.53%	0.50% to 1.40%	13.93% to 15.53%
2011	562,927	8.08 to 8.81	\$4,711,721	1.60%	0.50% to 1.40%	-8.03% to -6.74%
Van Eck Worldwide Insurance Trust						
Global Hard Assets Fund						
2015	1,047,047	4.67 to 22.36	\$8,597,033	0.03%	0.50% to 1.40%	-34.37% to -33.45%
2014	911,490	7.01 to 33.77	\$12,288,660	0.10%	0.50% to 1.40%	-20.22% to -19.10%
2013	874,334	8.67 to 41.96	\$15,620,891	0.68%	0.50% to 1.40%	9.01% to 10.53%
2012	788,834	7.84 to 38.15	\$14,646,126	0.62%	0.50% to 1.40%	1.95% to 3.39%
2011	672,311	7.58 to 37.09	\$14,448,645	1.25%	0.50% to 1.40%	-17.60% to -16.45%
PIMCO Variable Insurance Trust						
Total Return Portfolio						
2015	1,608,241	12.10 to 17.50	\$23,959,878	4.85%	0.50% to 1.40%	-0.94% to 0.45%
2014	1,833,519	12.06 to 17.51	\$27,698,480	2.28%	0.50% to 1.40%	2.84% to 4.28%
2013	1,848,934	11.57 to 16.88	\$27,573,858	2.31%	0.50% to 1.40%	-3.32% to -1.96%
2012	1,827,749	11.82 to 17.30	\$29,223,735	2.56%	0.50% to 1.40%	8.07% to 9.59%
2011	1,977,039	12.94 to 15.87	\$29,534,163	2.75%	0.50% to 1.40%	2.18% to 3.61%
Low Duration Portfolio						
2015	165,358	11.05 to 13.94	\$2,039,993	3.42%	0.50% to 1.40%	-1.07% to 0.21%
2014	173,672	11.03 to 13.96	\$2,141,407	1.13%	0.50% to 1.40%	-0.54% to 0.75%
2013	165,147	10.94 to 13.91	\$2,229,269	1.45%	0.50% to 1.40%	-1.51% to -0.23%
2012	165,685	10.97 to 14.00	\$2,268,773	1.91%	0.50% to 1.40%	4.38% to 5.59%
2011	166,570	11.81 to 13.30	\$2,179,575	1.68%	0.50% to 1.40%	-0.28% to 0.86%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
High Yield Portfolio						
2015	160,653	13.51 to 20.69	\$2,481,870	5.95%	0.50% to 1.40%	-3.00% to -1.64%
2014	172,402	13.75 to 21.14	\$2,855,871	7.10%	0.50% to 1.40%	1.91% to 3.34%
2013	161,730	13.31 to 20.56	\$2,891,330	5.70%	0.50% to 1.40%	4.27% to 5.73%
2012	291,481	12.61 to 19.55	\$5,166,606	5.45%	0.50% to 1.40%	12.71% to 14.30%
2011	515,682	12.49 to 17.19	\$8,225,521	5.82%	0.50% to 1.40%	1.92% to 3.34%
Real Return Portfolio						
2015	334,542	11.43 to 16.18	\$4,288,980	3.88%	0.50% to 1.40%	-4.05% to -2.70%
2014	398,017	11.76 to 16.72	\$5,265,101	1.49%	0.50% to 1.40%	1.67% to 3.09%
2013	355,778	11.42 to 16.30	\$5,317,953	1.66%	0.50% to 1.40%	-10.47% to -9.22%
2012	374,378	12.59 to 18.04	\$6,425,284	1.06%	0.50% to 1.40%	7.25% to 8.75%
2011	393,050	12.72 to 16.67	\$6,328,227	2.06%	0.50% to 1.40%	10.13% to 11.66%
Goldman Sachs Variable Insurance Trust						
Small Cap Equity Insights Fund						
2015	258,324	12.89 to 18.56	\$3,706,012	0.23%	0.50% to 1.40%	-3.48% to -2.13%
2014	429,605	13.36 to 18.96	\$6,412,501	0.46%	0.50% to 1.40%	5.45% to 6.93%
2013	352,009	12.67 to 17.73	\$4,859,411	1.10%	0.50% to 1.40%	33.75% to 35.62%
2012	308,560	9.47 to 13.07	\$3,130,037	1.22%	0.50% to 1.40%	11.26% to 12.83%
2011	321,699	8.51 to 11.59	\$2,888,421	0.86%	0.50% to 1.40%	-0.71% to 0.67%
Large Cap Value Fund						
2015	356,145	11.33 to 16.34	\$4,502,820	1.43%	0.50% to 1.40%	-5.73% to -4.41%
2014	378,267	12.02 to 17.11	\$5,000,736	1.48%	0.50% to 1.40%	11.38% to 12.94%
2013	368,274	10.79 to 15.17	\$4,290,100	1.23%	0.50% to 1.40%	31.39% to 33.23%
2012	408,705	8.21 to 11.40	\$3,563,692	1.48%	0.50% to 1.40%	17.48% to 19.13%
2011	420,869	6.99 to 8.03	\$3,087,201	1.19%	0.50% to 1.40%	-8.33% to -7.05%
Neuberger Berman Advisors Management Trust						
AMT Mid Cap Intrinsic Value Portfolio						
2015	101,837	14.19 to 16.65	\$1,554,712	0.91%	0.50% to 1.40%	-9.60% to -8.34%
2014	58,265	15.69 to 18.19	\$988,114	1.39%	0.50% to 1.40%	12.26% to 13.84%
2013	59,184	13.98 to 15.99	\$883,314	1.36%	0.50% to 1.40%	35.16% to 37.05%
2012	41,684	10.34 to 11.68	\$450,586	0.30%	0.50% to 1.40%	13.93% to 15.53%
2011	13,689	9.08 to 9.67	\$129,392	0.55%	0.50% to 1.40%	-7.79% to -6.50%
Profunds VP						
Japan						
2015	36,274	7.41 to 14.52	\$337,396	0.00%	0.50% to 1.40%	4.35% to 5.81%
2014	7,137	7.10 to 13.73	\$62,325	0.00%	0.50% to 1.40%	1.80% to 3.23%
2013	43,834	6.97 to 13.32	\$381,607	0.00%	0.50% to 1.40%	46.19% to 48.24%
2012	16,782	4.77 to 8.99	\$94,326	0.00%	0.50% to 1.40%	21.24% to 22.95%
2011	11,117	3.93 to 5.35	\$46,026	0.00%	0.50% to 1.40%	-19.66% to -18.54%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
Oil & Gas						
2015	179,268	6.15 to 9.90	\$1,343,444	0.70%	0.50% to 1.40%	-24.43% to -23.37%
2014	164,527	8.03 to 12.93	\$1,614,935	0.45%	0.50% to 1.40%	-12.10% to -10.87%
2013	185,754	9.01 to 14.52	\$2,033,895	0.44%	0.50% to 1.40%	22.36% to 24.07%
2012	188,894	7.26 to 11.72	\$1,684,148	0.11%	0.50% to 1.40%	1.47% to 2.90%
2011	192,424	7.06 to 9.42	\$1,698,396	0.14%	0.50% to 1.40%	0.84% to 2.25%
Small-Cap Value						
2015	207,990	11.56 to 15.52	\$2,861,854	0.00%	0.50% to 1.40%	-9.54% to -8.28%
2014	63,434	12.77 to 16.92	\$983,924	0.00%	0.50% to 1.40%	4.35% to 5.81%
2013	64,660	12.24 to 15.99	\$944,392	0.19%	0.50% to 1.40%	35.77% to 37.67%
2012	65,050	9.02 to 11.62	\$686,320	0.00%	0.50% to 1.40%	14.55% to 16.16%
2011	70,643	7.87 to 10.00	\$629,555	0.00%	0.50% to 1.40%	-5.42% to -4.10%
Ultra Mid-Cap						
2015	88,680	12.41 to 23.23	\$1,401,205	0.00%	0.50% to 1.40%	-10.40% to -9.15%
2014	100,252	13.85 to 25.60	\$1,668,613	0.00%	0.50% to 1.40%	13.75% to 15.34%
2013	124,208	12.18 to 22.21	\$1,782,769	0.00%	0.50% to 1.40%	68.26% to 70.61%
2012	115,411	7.24 to 13.03	\$924,138	0.00%	0.50% to 1.40%	30.65% to 32.49%
2011	106,135	5.54 to 7.00	\$628,858	0.00%	0.50% to 1.40%	-14.84% to -13.65%
Vanguard Variable Insurance Funds						
Balanced						
2015	122,186	14.64 to 16.28	\$1,942,285	2.39%	0.50% to 1.40%	-1.29% to 0.09%
2014	115,137	14.83 to 16.26	\$1,827,530	2.10%	0.50% to 1.40%	8.33% to 9.84%
2013	98,581	13.69 to 14.81	\$1,415,343	2.41%	0.50% to 1.40%	18.23% to 19.88%
2012	89,682	11.58 to 12.35	\$1,068,054	3.22%	0.50% to 1.40%	11.00% to 12.56%
2011	61,411	10.44 to 10.97	\$660,479	2.61%	0.50% to 1.40%	2.27% to 3.70%
Total Bond Market Index						
2015	89,370	11.99 to 13.57	\$1,145,152	1.52%	0.50% to 1.40%	-1.05% to 0.33%
2014	45,753	11.96 to 13.53	\$600,294	3.07%	0.50% to 1.40%	4.43% to 5.89%
2013	73,857	11.31 to 12.78	\$909,745	2.52%	0.50% to 1.40%	-3.64% to -2.29%
2012	59,793	11.58 to 13.12	\$755,324	1.90%	0.50% to 1.40%	2.58% to 4.02%
2011	43,915	11.95 to 12.64	\$541,451	2.12%	0.50% to 1.40%	6.17% to 7.65%
High Yield Bond						
2015	26,799	13.87 to 15.66	\$398,724	5.55%	0.50% to 1.40%	-2.94% to -1.58%
2014	26,943	14.11 to 15.95	\$412,608	5.11%	0.50% to 1.40%	2.96% to 4.40%
2013	24,298	13.52 to 15.32	\$359,083	5.66%	0.50% to 1.40%	2.91% to 4.35%
2012	26,409	12.97 to 14.71	\$376,272	5.73%	0.50% to 1.40%	12.71% to 14.30%
2011	25,534	12.15 to 12.91	\$319,854	6.71%	0.50% to 1.40%	5.46% to 6.93%
International						
2015	1,393,704	9.81 to 13.47	\$15,226,326	1.92%	0.50% to 1.40%	-2.14% to -0.77%
2014	1,383,667	10.03 to 13.58	\$15,114,260	1.48%	0.50% to 1.40%	-7.35% to -6.05%
2013	1,342,067	10.82 to 14.47	\$15,468,367	1.31%	0.50% to 1.40%	21.55% to 23.26%
2012	1,255,200	8.91 to 11.75	\$11,646,593	1.87%	0.50% to 1.40%	18.47% to 20.14%
2011	1,053,522	7.52 to 7.90	\$8,146,570	1.61%	0.50% to 1.40%	-14.73% to -13.54%
Mid-Cap Index						
2015	464,136	16.00 to 18.70	\$8,069,430	1.25%	0.50% to 1.40%	-2.80% to -1.43%
2014	513,643	16.46 to 18.99	\$9,033,908	0.90%	0.50% to 1.40%	12.03% to 13.59%
2013	585,406	14.69 to 16.73	\$9,087,107	1.16%	0.50% to 1.40%	33.07% to 34.93%
2012	697,765	11.04 to 12.41	\$7,997,666	1.12%	0.50% to 1.40%	14.21% to 15.82%
2011	647,787	9.67 to 10.16	\$6,443,284	0.98%	0.50% to 1.40%	-3.39% to -2.04%

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	December 31			Year Ended December 31		
	Unit Fair Value		Net Assets	Investment Income Ratio*	Expense Ratio Lowest to Highest**	Total Return Lowest to Highest***
	Units	Lowest to Highest				
REIT Index						
2015	268,395	15.20 to 17.92	\$4,461,783	1.86%	0.50% to 1.40%	0.81% to 2.22%
2014	283,977	15.08 to 17.54	\$4,609,139	3.19%	0.50% to 1.40%	28.31% to 30.11%
2013	215,439	11.75 to 13.50	\$2,675,184	1.82%	0.50% to 1.40%	0.92% to 2.33%
2012	161,292	11.64 to 13.20	\$1,944,646	1.69%	0.50% to 1.40%	15.83% to 17.46%
2011	140,232	10.05 to 10.67	\$1,445,112	1.61%	0.50% to 1.40%	6.94% to 8.44%
Small Company Growth						
2015	353,213	18.74 to 21.10	\$7,069,134	0.38%	0.50% to 1.40%	-4.10% to -2.75%
2014	372,611	19.32 to 21.69	\$7,702,293	0.28%	0.50% to 1.40%	1.95% to 3.38%
2013	360,684	18.73 to 20.98	\$7,262,762	0.64%	0.50% to 1.40%	44.52% to 46.54%
2012	351,196	12.81 to 14.32	\$4,837,881	0.23%	0.50% to 1.40%	13.06% to 14.65%
2011	348,497	11.20 to 12.49	\$4,234,844	0.20%	0.50% to 1.40%	-0.04% to 1.36%
Short Term Investment Grade						
2015	182,495	11.29 to 12.66	\$2,091,216	1.81%	0.50% to 1.40%	-0.27% to 1.12%
2014	174,124	11.18 to 12.52	\$1,967,860	1.62%	0.50% to 1.40%	0.35% to 1.76%
2013	165,047	11.00 to 12.31	\$1,830,073	2.06%	0.50% to 1.40%	-0.32% to 1.08%
2012	171,462	10.89 to 12.17	\$2,010,748	2.36%	0.50% to 1.40%	2.97% to 4.42%
2011	216,845	11.09 to 11.66	\$2,457,729	1.64%	0.50% to 1.40%	0.61% to 2.02%
Total Stock Market Index						
2015	115,230	15.52 to 18.68	\$1,939,045	1.38%	0.50% to 1.40%	-1.02% to 0.37%
2014	108,902	15.68 to 18.63	\$1,827,770	1.33%	0.50% to 1.40%	10.74% to 12.29%
2013	103,174	14.16 to 16.61	\$1,538,547	1.37%	0.50% to 1.40%	31.44% to 33.28%
2012	78,457	10.77 to 12.47	\$878,844	1.43%	0.50% to 1.40%	14.71% to 16.33%
2011	46,941	9.39 to 9.87	\$454,151	1.31%	0.50% to 1.40%	-0.56% to 0.83%

- * The Investment Income Ratio represents the dividends, excluding distributions of capital gains, received by the portfolio, net of management fees assessed by the fund manager, divided by the average net assets. This ratio excludes those expenses, such as mortality and expense charges, that result in direct reductions in the unit values. The recognition of investment income is affected by the timing of the declaration of dividends.
- ** The Expense Ratio represents the annualized contract expenses of each portfolio within the Separate Account, consisting primarily of mortality and expense charges, for each period indicated. The ratios include only those expenses that result in a direct reduction to unit values. Charges made directly to contract owner accounts through the redemption of units and expenses of the underlying fund are excluded.
- *** The Total Return is calculated as the change in the unit value of the underlying portfolio, and reflects deductions for all items included in the expense ratio. The total return does not include any expenses assessed through the redemption of units; inclusion of these expenses in the calculation would result in a reduction in the total return presented. For newly introduced portfolios, the total return for the first year is calculated as the percentage of change from inception to the end of the period.

6. Diversification Requirements

Under the provisions of Section 817(h) of the Internal Revenue Code, as amended (the Code), a variable life insurance policy, other than a policy issued in connection with certain types of employee benefit plans, will not be treated as a life insurance policy for federal tax purposes for any period for which the investments of the segregated asset account, on which the policy is

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based, are not adequately diversified. The Code provides that the “adequately diversified” requirement may be met if the underlying investments satisfy either a statutory safe harbor test or diversification requirements set forth in regulations issued by the Secretary of the Treasury.

The Internal Revenue Service has issued regulations under Section 817(h) of the Code. Midland National Life believes, based on assurances from the Funds, that the Separate Account satisfies the current requirements of the regulations.