New York Life Global Funding

$13,000,000,000
GLOBAL DEBT ISSUANCE PROGRAM

This supplement ("Base Prospectus Supplement") is supplemental to and must be read in conjunction with the Offering Memorandum dated March 25, 2015 (the "Offering Memorandum"), as supplemented by a first base prospectus supplement dated June 18, 2015, prepared by New York Life Global Funding (the "Issuer") under the Issuer's $13,000,000,000 Global Debt Issuance Program for the issuance of senior secured medium-term notes (the "Notes").

This Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC (the "Prospectus Directive"). The Central Bank of Ireland only approves this Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a base prospectus supplement for the purposes of Article 16 of the Prospectus Directive. References herein to this document are to this Base Prospectus Supplement incorporating Annex 1 hereto.

On August 13, 2015, New York Life Insurance Company ("New York Life") published its interim statutory statements as of June 30, 2015 (including any notes thereto, the "Second Quarter 2015 Statutory Statements"), and on August 21, 2015 made available New York Life's Summary of Certain Second Quarter Financial Information, Certain Financial and Accounting Matters, Statutory Capitalization of New York Life, and Selected Historical Statutory Financial Information of New York Life (collectively, the "Second Quarter 2015 Financial Information"). The Second Quarter 2015 Statutory Statements and the Second Quarter 2015 Financial Information are set out in Annex 1 to this document. Copies of the Second Quarter 2015 Statutory Statements and the Second Quarter 2015 Financial Information will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Offering Memorandum.

Except as disclosed in this document, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Offering Memorandum.

Each of the Issuer and New York Life accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge of each of the Issuer and New York Life (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where there is any inconsistency among the Offering Memorandum and this Base Prospectus Supplement, the language used in this Base Prospectus Supplement shall prevail.

Base Prospectus Supplement dated September 2, 2015

ANNEX 1

SUMMARY OF CERTAIN SECOND QUARTER FINANCIAL INFORMATION

Results of Operations – For the Six Months Ended June 30, 2015 Compared to the Six Months Ended June 30, 2014

Net Income

Net income, which is net gain from operations plus net realized capital gains (after-tax and transfers to the interest maintenance reserve ("**IMR**")), was $216 million for the six months ended June 30, 2015, which represented a $90 million decrease from the net income of $306 million reported for the six months ended June 30, 2014. The decrease was driven by a $45 million decrease in net gain from operations, as well as a $45 million decline in net realized capital gains/(losses) (see "—Net Realized Capital Gains/(Losses)").

Net Gain from Operations

Net gain from operations after dividends and federal income taxes for the six months ended June 30, 2015 was $242 million, which primarily consists of investment spread income and earnings from mortality spreads. This represents a decrease in net gain of $45 million, or 15.7%, when compared to the $287 million reported for the six months ended June 30, 2014, which was comprised of the following:

- Net gain before dividends and federal income taxes remained relatively flat as compared to the prior year;
- $86 million of higher dividend expense to policyholders mainly due to the increase in New York Life's dividend scale approved by the Board of Directors in November 2014; partially offset by
- $40 million decrease in federal income tax expense (see "—Federal Income Taxes").

Details on the key components of net gain from operations can be found in the following sections up to and through page 5.

Premium Income

Premiums are generated from sales of life and health insurance and annuities. In addition, sales of guaranteed products ("**GP**"), included within Institutional Annuities, and remaining Retirement Plan Services [1] ("**RPS**") that include annuity purchase rate guarantees, are counted as premium income since there is exposure to mortality risk in these products.

[1] *The retirement plan services business of providing administrative, record keeping and custody services within NYL Investments, a wholly owned non-insurance subsidiary, was sold during the second quarter of 2015.*

The following table shows premium income by business operation for the six months ended June 30, 2015 and 2014 ($ in millions):

	2015	2014	Change $	Change %
Individual Life	$ 3,498	$ 3,331	$ 167	5.0 %
Direct Operations	740	696	44	6.3
Group Membership Association (“**GMAD**”)	260	256	4	1.6
Long Term Care (“**LTC**”) and Disability Income	131	123	8	6.5
Insurance and Agency Group	**4,629**	**4,406**	**223**	**5.1**
RPS	1,907	1,117	790	70.7
Institutional Annuities	545	1,138	(593)	(52.1)
Investments Group	**2,452**	**2,255**	**197**	**8.7**
Total	**$ 7,081**	**$ 6,661**	**$ 420**	**6.3 %**

Insurance and Agency Group premiums for the six months ended June 30, 2015 increased $223 million from the same period last year, primarily driven by higher single and renewal premiums from Individual Life business, as well as higher first year premiums from Direct Operations business.

Premiums from the Investments Group for the six months ended June 30, 2015 increased $197 million from the same period last year. The increase in RPS was mainly driven by higher premiums from sales of stable value investment (“**SVI**”) separate accounts and guaranteed interest account (“**GIA**”) products during the first six months of 2015. This increase was partially offset by lower Institutional Annuities premiums, mainly driven by lower guaranteed investment contract (“**GIC**”) sales during the first six months of 2015, partially offset by an increase in premium income from structured settlement products.

Net Investment Income

Net investment income for the six months ended June 30, 2015 was $2,634 million, an increase of $67 million, or 2.6%, from the $2,567 million reported for the six months ended June 30, 2014. The growth in net investment income is primarily driven by higher income on fixed income securities and mortgage loan investments due to larger asset balances, which was partially offset by the impact of lower portfolio yields due to turnover in investments.

Benefit Payments

Benefit payments primarily include death benefits, annuity benefits, accident and health benefits, surrender benefits (including scheduled maturities and withdrawals on GP (primarily GICs) and RPS) and interest on policy claims and deposit funds.

The following table shows benefit payments by business operation for the six months ended June 30, 2015 and 2014 ($ in millions):

			Change	
	2015	**2014**	**$**	**%**
Individual Life	$ 2,353	$ 2,488	$ (135)	(5.4) %
Direct Operations	412	380	32	8.4
GMAD	160	154	6	3.9
LTC and Disability Income	43	37	6	16.2
Insurance and Agency Group	**2,968**	**3,059**	**(91)**	**(3.0)**
Institutional Annuities	1,111	1,518	(407)	(26.8)
RPS	1,023	1,055	(32)	(3.0)
Retail Annuities[1]	56	62	(6)	(9.7)
Investments Group	**2,190**	**2,635**	**(445)**	**(16.9)**
Total	**$ 5,158**	**$ 5,694**	**$ (536)**	**(9.4) %**

[1] Retail Annuities are no longer sold through New York Life.

The decrease in the Insurance and Agency Group benefit payments was primarily driven by lower Individual Life death and surrender benefits, partially offset by higher death benefits from the Direct Operations business.

The decrease in the Investments Group benefit payments was primarily driven by lower Institutional Annuities surrender benefits mainly due to lower GIC withdrawals during the first six months of 2015. Also adding to the decrease were lower RPS surrender benefits mainly driven by lower withdrawals from the guaranteed separate accounts and pension separate accounts, partially offset by higher GIA withdrawals during the first six months of 2015.

Additions to Reserves

The following table shows additions to reserves by business operation for the six months ended June 30, 2015 and 2014 ($ in millions):

			Change	
	2015	**2014**	**$**	**%**
Individual Life	$ 1,312	$ 1,064	$ 248	23.3 %
LTC and Disability Income	130	145	(15)	(10.3)
Direct Operations	90	92	(2)	(2.2)
GMAD	3	6	(3)	(50.0)
Insurance and Agency Group	**1,535**	**1,307**	**228**	**17.4**
RPS	442	391	51	13.0
Institutional Annuities	(86)	123	(209)	nm
Retail Annuities[1]	(38)	(37)	(1)	(2.7)
Investments Group	**318**	**477**	**(159)**	**(33.3)**
Total	**$ 1,853**	**$ 1,784**	**$ 69**	**3.9 %**

nm = not meaningful

[1] Retail Annuities are no longer sold through New York Life.

The increase in the Insurance and Agency Group additions to reserves was primarily driven by Individual Life, largely reflecting the aging of the insurance inforce including the receipt of renewal premiums.

The decrease in the Investments Group additions to reserves was primarily driven by a decrease in Institutional Annuities reserves, mainly resulting from the decline in GIC sales from the same period last year, partially offset by the increase in reserves from group structured settlement products driven by the increase in premiums. Partially offsetting the decrease in Institutional Annuities reserves was a higher increase in reserves associated with RPS, primarily due to the increase in GIA net contributions for the first six months of 2015.

Net Transfers to/from Separate Accounts

Net transfers to separate accounts for the six months ended June 30, 2015 were $487 million, a change of $784 million from the $297 million transferred from separate accounts for the six months ended June 30, 2014. The $784 million change was primarily due to higher net deposits in 2015.

Operating Expenses

Operating expenses primarily include general insurance expenses, taxes, licenses, fees and commissions. For the six months ended June 30, 2015, total operating expenses of $1,360 million reflected an increase of $124 million, or 10.0%, from the $1,236 million reported for the six months ended June 30, 2014. The increase was mainly driven by higher general expenses, including higher postretirement benefits costs primarily due to changes in the discount rates (the discount rate was locked in effective 12/31/14) and updates to mortality tables, as well as higher technology expenses.

Dividends to Policyholders

Based on the dividend scale approved by the Board of Directors in November 2014, which primarily factors in investment experience (interest earnings, credit loss experience and equity returns), mortality results and expense levels that develop over a period of time, the pre-tax expense recorded for dividends to policyholders for the six months ended June 30, 2015 was $877 million, which was $86 million, or 10.9%, higher than the $791 million reported for the six months ended June 30, 2014.

Federal Income Taxes

The following table reconciles the tax expense calculated at the statutory rate to the tax expense reflected in results of operations for the six months ended June 30, 2015 and 2014 (in millions):

Tax Reconciliation

	2015	2014	Change
Pre-tax gain from operations at 35%	$ 88	$ 117	$ (29)
Non-deductible pension and postretirement benefits costs	41	33	8
Excess of book over tax policyholder dividends	12	11	1
Amortization of IMR	(20)	(16)	(4)
Excess of tax over book loss on limited partnerships	(20)	3	(23)
Tax exempt income	(27)	(37)	10
Tax credits[1]	(67)	(73)	6
Other[2]	1	10	(9)
Total federal income tax expense	**$ 8**	**$ 48**	**$ (40)**

[1] Tax credits result primarily from investments in low income housing and alternative energy.

[2] Primarily resulting from the change in recognition of tax benefits on short-term incentive compensation payments.

Net Realized Capital Gains/(Losses)

Net realized capital losses after taxes and transfers to the IMR were $26 million for the six months ended June 30, 2015, a decrease of $45 million from the net realized capital gains of $19 million reported for the six months ended June 30, 2014. The following table represents the net realized capital gains/(losses) for the six months ended June 30, 2015 and 2014 (in millions):

Net Realized Capital Gains/(Losses)

	2015	2014	Change
Bonds	$ 124	$ 101	$ 23
Common stock	56	79	(23)
Limited partnerships	14	27	(13)
Derivatives[1]	(116)	14	(130)
Other[1]	121	(24)	145
Total before OTTI and capital gains tax	**199**	**197**	**2**
OTTI	(108)	(73)	(35)
Capital gains tax expense[2]	(58)	(59)	1
Net capital gains after-tax and before transfers to the IMR	**33**	**65**	**(32)**
Capital gains transferred to the IMR[3]	(59)	(46)	(13)
Net capital gains after-tax	**$ (26)**	**$ 19**	**$ (45)**

1 Other primarily represents realized foreign exchange gains/(losses) on Global Medium Term Note contracts of $118 million and $(20) million for the six months ended June 30, 2015 and 2014, respectively. These gains/(losses) were substantially offset by realized (losses)/gains on currency swaps included in Derivatives.

2 OTTI losses are generally not subject to current tax treatment; however, current year tax includes benefits on current year OTTI on residential mortgage-backed securities and sales of other securities impaired in prior years.

3 Capital gains tax expense transferred to the IMR was $32 million and $25 million for the six months ended June 30, 2015 and 2014, respectively.

The following table shows the distribution of OTTI and the year-over-year change in OTTI by asset type for the six months ended June 30, 2015 and 2014 (in millions):

OTTI

	2015	2014	Change
Limited partnerships and other invested assets	$ (88)	$ (60)	$ (28)
Bonds	(19)	(12)	(7)
Common and preferred stock	(1)	(1)	-
Total OTTI	**$ (108)**	**$ (73)**	**$ (35)**

Financial Position – At June 30, 2015 Compared to December 31, 2014

Assets

Total assets at June 30, 2015 were $150,016 million, which was $3,749 million, or 2.6%, higher than the $146,267 million reported at December 31, 2014. The increase primarily reflected:

- $2,928 million higher cash and invested assets, primarily due to the investment of operating cashflow of $1,876 million, unrealized gains on affiliated entities of $392 million (see "—Statutory Surplus and AVR" for further details) and unsettled purchases of securities of $231 million; and
- $828 million increase in separate accounts assets, mainly due to net contributions during the year, investment income and realized gains earned during the year, and unsettled purchases of securities.

Liabilities

Total liabilities, including the asset valuation reserve ("**AVR**"), at June 30, 2015 were $131,229 million, which was $3,568 million, or 2.8%, higher than the $127,661 million reported at December 31, 2014. The increase primarily reflected:

- $2,311 million higher policyholder liabilities (policy reserves, deposit funds and policy claims), mainly due to the aging of the insurance inforce;
- $828 million increase in separate accounts liabilities (see "—Assets"); and
- $241 million increase in the AVR (see "—Statutory Surplus and AVR" for further details).

Statutory Surplus and AVR

Statutory Surplus was $18,787 million at June 30, 2015, an increase of $181 million, or 1.0%, from the $18,606 million reported at December 31, 2014. The main drivers of the change in surplus are presented in the following table (in millions):

	2015
Beginning surplus	$ 18,606
Net income	216
Net unrealized capital gains[1]	260
Pension and postretirement benefits impacts	111
Change in deferred taxes	39
Change in nonadmitted assets[2]	(64)
Correction of error	(142)
Change in AVR	(241)
Other	2
Ending surplus	**18,787**
AVR	2,679
Surplus and AVR[3]	**$ 21,466**

1 Excludes deferred capital gains tax benefit on net unrealized gains of $34 million reclassified to "Change in deferred taxes."

2 Excludes the increase in nonadmitted deferred income taxes of $29 million reclassified to "Change in deferred taxes."

3 Consolidated surplus and AVR, which includes the AVR of New York Life's wholly owned U.S. insurance subsidiaries (New York Life Insurance and Annuity Corporation ("**NYLIAC**") and NYLIFE Insurance Company of Arizona ("**NYLAZ**")), totaled $22,515 million at June 30, 2015.

New York Life's net income accounted for $216 million of the change in surplus during the first six months of 2015. See "—Results of Operations—For the Six Months Ended June 30, 2015 Compared to the Six Months Ended June 30, 2014—Net Income." Other items impacting New York Life's 2015 surplus position included the following:

Net Unrealized Capital Gains

Net unrealized capital gains resulted in an increase in surplus of $260 million at June 30, 2015. The increase was primarily due to $392 million of unrealized gains on affiliated entities primarily attributable to:

- NYL Investments and NYL Investors – a net $307 million increase primarily resulting from the gain on the sale of NYL Investments' RPS business, along with positive operating results mainly driven by higher assets under management due to strong market performance and net flows (gross sales and other deposits, net of redemptions and other withdrawals); and
- NYLIAC – $163 million increase resulting from positive operating results primarily driven by investment spread income and fee income; partially offset by
- New York Life Enterprises – a net $79 million decrease primarily due to unrealized losses experienced on fixed maturity investments, which were mostly driven by interest rates in Mexico.

Partially offsetting the increase was $132 million in other net unrealized losses from investments, mainly driven by:

- Net unrealized losses on limited partnerships of $50 million primarily resulting from the reversal of prior years unrealized gains that are now recognized as distributed gains through net investment income;
- Net unrealized losses on unaffiliated equity investments of $41 million primarily resulting from the reversal of unrealized gains from equity distributions and market depreciation; and
- Net unrealized losses on bonds of $34 million primarily resulting from foreign exchange losses due to the strengthening of the U.S. dollar against various foreign currencies.

Pension and Postretirement Benefits Impacts

The calculation of pension and other postretirement benefits obligations requires management to select demographic and economic assumptions that affect the reported amounts of assets and liabilities at year end. Assumptions include, but are not limited to, interest rates, return on plan assets, mortality, withdrawal and retirement rates, and healthcare cost trend. The selected actuarial assumptions comply with the National Association of Insurance Commissioners ("**NAIC**") guidance, which requires the Company to use its best estimate for each assumption, and are reviewed regularly for reasonableness, comparing assumed results to actual plan experience with adjustments made when necessary. New York Life uses a December 31st measurement date for these plans, as required.

Pension and postretirement related impacts increased surplus by $111 million and are primarily due to the reclassification of previously recorded liabilities to net gain. Statutory accounting principles require that certain asset and liability changes be charged against surplus immediately, before the expense is incurred. When the expense is charged through net gain from operations, there is an offsetting benefit to negate the earnings reduction to surplus.

Change in Deferred Taxes

The net positive impact on surplus of the change in deferred taxes was $39 million at June 30, 2015. The following table details the components of the change in deferred taxes (in millions):

Change in Deferred Taxes

	2015
Deferred income tax benefit on operating results	$ 34
Deferred capital gains tax benefit on change in net unrealized capital gains	34
Subtotal	**68**
Increase in deferred income taxes nonadmitted	(29)
Total change in deferred taxes	**$ 39**

Change in Nonadmitted Assets

Certain assets are not allowed as admitted assets under statutory accounting principles. Generally these are assets with economic value, but which cannot be readily used to pay policyholder obligations. A net increase in nonadmitted assets during 2015 resulted in a decrease to surplus of $64 million during the six months ended June 30, 2015, primarily due to higher prepaid expenses and software consulting expenses. Also adding to the decrease was an increase in the value of affiliated LLC investments that are being nonadmitted in accordance with NAIC SAP since individual audited GAAP financial statements are not being prepared.

Correction of Error

New York Life discovered an error, dating back to 2004, relating to reserves for its increasing premium term products. New York Life had been reserving for these products under NAIC guidelines as opposed to the more conservative New York State guidelines. To correct this error, New York Life increased term reserves by $142 million and recorded a prior period correction that decreased statutory surplus by the same amount.

Change in AVR

The AVR is an investment reserve established to provide for default risk on fixed income assets and market value fluctuation on equity-type investments. At June 30, 2015, the AVR increased $241 million and consisted of a $210 million increase to the equity component (primarily invested assets) and a $31 million increase to the default component (primarily bonds) as required under the NAIC's AVR formula.

Subsequent Item of Note - John Hancock Transaction

On December 23, 2014, New York Life agreed to enter into a reinsurance transaction with John Hancock Life Insurance Company (U.S.A.) ("**John Hancock**"), an affiliate of Manulife Financial Corporation, in which New York Life will reinsure, through a 100% coinsurance agreement, John Hancock's closed block comprised primarily of participating whole life insurance. In connection with this agreement, New York Life has agreed to cede back 40% of the business to John Hancock through a coinsurance with funds withheld agreement. The transaction closed on July 1, 2015, and will reduce New York Life's statutory surplus by approximately $600 million during the 3rd quarter of 2015, representing approximately $350 million of net ceding commission repaid and $200 million of deferred taxes required to be nonadmitted since the recovery is expected to occur between four and ten years from the closing date.

Liquidity Sources and Requirements

Liquidity Sources

New York Life's principal cash inflows from its insurance activities are derived from life insurance premiums, annuity considerations, GICs and deposit funds. New York Life's principal cash inflows from investments result from proceeds on sales, repayments of principal, maturities of invested assets and investment income. The following table sets forth the total available liquidity of New York Life from liquid assets and other funding sources at the end of the specified periods (in millions):

New York Life's Available Liquidity at Market Value

	June 30,	December 31,	
	2015	**2014**	**2013**
Cash and short-term investments:			
Cash and cash equivalents	$ 1,137	$ 1,099	$ 1,124
Short-term investments[1]	1,064	1,895	1,770
Less: securities lending, outstanding commercial paper and other short-term liabilities	(1,787)	(1,536)	(1,628)
Net cash and short-term investments	**414**	**1,458**	**1,266**
Bonds:			
U.S. government and agency bonds	7,792	8,246	8,325
Public corporate investment-grade bonds & collateralized mortgage obligations ("**CMOs**")[2]	38,486	39,152	33,089
Liquid bonds	**46,278**	**47,398**	**41,414**
Equities:			
Public equities portfolio	1,882	1,787	2,157
Total liquid assets	**48,574**	**50,643**	**44,837**
Other funding sources:			
Bank facility/commercial paper capacity	2,000	2,000	2,000
Federal Home Loan Bank available capacity[3]	5,569	5,158	4,723
Total other funding sources	**7,569**	**7,158**	**6,723**
Total available liquidity	**$ 56,143**	**$ 57,801**	**$ 51,560**

1 Includes New York Life Short Term Fund ("**NYL STIF**") of $483 million, $1,610 million and $1,515 million at June 30, 2015, December 31, 2014 and 2013, respectively, which is included in Limited Partnerships and Other Investments within Assets.

2 Includes all public corporate investment-grade bonds and CMOs regardless if they are carried above or below market value.

3 Available capacity represents 5% of New York Life's total admitted assets, less secured borrowing. At June 30, 2015, New York Life's borrowing capacity with the Federal Home Loan Bank was $6,920 million of which $1,351 million had been used.

New York Life's U.S. insurance subsidiaries (NYLIAC and NYLAZ) are subject to certain insurance department regulatory restrictions as to the payment of dividends to New York Life. In general, a dividend may be paid without prior approval from the domiciliary state insurance department provided that the subsidiary's statutory earned surplus is positive. In addition, dividends paid in any twelve month period cannot exceed the greater of (i) 10% of the subsidiary's surplus, or (ii) the subsidiary's net gain from operations, each based on the preceding December 31st statutory financial statements, without regulatory approval. These restrictions pose no short-term or long-term liquidity concerns for New York Life, as it does not rely on subsidiary dividends as a primary source of liquidity.

Liquidity Uses

New York Life's principal cash outflows primarily relate to the payment of liabilities associated with its various life insurance, annuity and group pension products, GICs and funding agreements, operating expenses and income taxes. Liabilities arising from New York Life's insurance activities primarily relate to benefit payments, policy surrenders, maturities and withdrawals from GICs and funding agreements, and loans and dividends to policyholders.

A primary liquidity concern with respect to life insurance and annuity products is the risk of early policyholder and contractholder withdrawals. New York Life includes provisions in certain of its contracts that are designed to limit withdrawals from general account institutional pension products (group annuities, GICs and certain deposit fund liabilities) sold to employee benefit plan sponsors. Such provisions include surrender charges, market value adjustments and prohibitions or restrictions on withdrawals. New York Life closely monitors its liquidity requirements in order to match cash inflows with expected cash outflows, and employs an asset/liability management approach tailored to the specific requirements of each product line based upon the return objectives, risk tolerance, liquidity, tax and regulatory requirements of the underlying products. It also regularly conducts liquidity stress tests and monitors early warning indicators of potential liquidity issues.

New York Life participates in a securities lending program for its general account whereby fixed income securities are loaned to third parties, primarily major brokerage firms and commercial banks. The borrowers of its securities provide New York Life with collateral, typically in cash. New York Life separately manages this collateral and invests such cash collateral in other securities, primarily U.S. Treasuries, U.S. government agency securities, mortgage-backed securities and highly rated corporate fixed income securities with short maturities. Securities on loan under the program could be returned to New York Life by the borrowers, or New York Life could call such securities at any time. Returns of loaned securities would require New York Life to return the cash collateral associated with such loaned securities. New York Life was liable for cash collateral under its control of $581 million at June 30, 2015. New York Life was liable for cash collateral under its control of $554 million and $437 million at December 31, 2014 and 2013, respectively.

New York Life may use liquid assets to maintain appropriate capitalization for its insurance and non-insurance subsidiaries to fund growth opportunities and support new products, and, with respect to its U.S. insurance subsidiaries, to maintain targeted Risk Based Capital ("**RBC**") levels. In addition, New York Life may make loans to its affiliates, to provide additional funds to meet the business needs of these entities. New York Life made capital contributions of $6 million to its non-insurance subsidiaries during the six months ended June 30, 2015. New York Life received returns of capital of $297 million from its non-insurance subsidiaries during the six months ended June 30, 2015. New York Life made capital contributions of $263 million and $26 million to its non-insurance subsidiaries during the years ended December 31, 2014 and 2013, respectively. New York Life received returns of capital of $556 million and $140 million from its non-insurance subsidiaries during the years ended December 31, 2014 and 2013, respectively.

CERTAIN FINANCIAL AND ACCOUNTING MATTERS

Accounting Policies and Principles

Statutory Accounting Practices

The financial statements of New York Life have been prepared on the basis of NAIC Statutory Accounting Principles ("**NAIC SAP**") prescribed or permitted by the New York State Department of Financial Services ("**NYSDFS**"). NAIC SAP differs from accounting practices generally accepted in the United States ("**U.S. GAAP**") in that NAIC SAP is primarily designed to reflect the ability of the insurer to satisfy its obligations to policyholders, contractholders and beneficiaries, whereas under U.S. GAAP, revenues and expenses are recorded in financial reporting periods to match revenues and expenses and reflect the ongoing financial results of the insurer. For example, under NAIC SAP, commissions and other costs incurred in connection with acquiring new business are charged to operations in the year incurred; whereas under U.S. GAAP, certain of these expenses are deferred and amortized on a basis to match them against appropriate revenues.

Under NAIC SAP, New York Life's financial statements are not consolidated and investments in subsidiaries are generally shown at net equity value. Accordingly, the assets, liabilities and results of operations of New York Life's subsidiaries are not consolidated with the assets, liabilities and results of operations, respectively, of New York Life. However, New York Life's financial statements do reflect, in New York Life's assets, the net equity value of New York Life's subsidiaries and, in New York Life's surplus, the current year change in net equity value, less dividends declared to and contributions received from New York Life, of subsidiaries as an unrealized gain or loss on investments. Dividends declared by subsidiaries to New York Life are included in New York Life's net investment income.

Discussion of Certain Differences between NAIC SAP and U.S. GAAP

The financial information of New York Life is presented in accordance with NAIC SAP. Statutory accounting is used by state insurance regulators to monitor the operations of insurance companies. Financial statements prepared under NAIC SAP as determined under New York State Insurance Law vary from those prepared under U.S. GAAP in certain material respects, primarily as follows:

- non-public majority owned subsidiaries are generally carried at net equity value with earnings of such subsidiaries recognized in net investment income only when dividends are declared, whereas under U.S. GAAP, subsidiaries are consolidated with their earnings recognized in net income when earned, and dividends from such subsidiaries are eliminated in consolidation;

- the costs related to acquiring insurance contracts (principally commissions), policy issue expenses and sales inducements, are charged to income in the period incurred, whereas under U.S. GAAP, these costs are deferred when related to the successful sales and amortized over the periods benefited;

- life insurance reserves are based on different assumptions than they are under U.S. GAAP and dividends on participating policies are recognized for the full year when approved by the board of directors of New York Life (the "**Board of Directors**"), whereas under U.S. GAAP, they are accrued when earned by policyholders;

- life insurance companies are required to establish an AVR by a direct charge to surplus to offset potential investment losses, whereas under U.S. GAAP, no AVR is recognized;

- investments in bonds are generally carried at amortized cost or values as prescribed by the NYSDFS, whereas under U.S. GAAP, investments in bonds that are classified as available for sale or trading are carried at fair value, with changes in fair value of bonds classified as available for sale reflected in equity, and changes in fair value of bonds classified as trading reflected in earnings;

- realized gains and losses resulting from changes in interest rates are deferred in the IMR and amortized into investment income over the remaining life of the investment sold, whereas under U.S. GAAP, the gains and losses are recognized in income at the time of sale;

- deferred income taxes exclude state income taxes and are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus, whereas under U.S. GAAP, deferred income taxes include federal and state income taxes, and changes in the deferred tax are reflected in either earnings or other comprehensive income;

- a tax loss contingency is required to be established if it is more likely than not that a tax position will not be sustained upon examination by taxing authorities. If a loss contingency is greater than 50 percent of the tax benefit associated with a tax position, the loss contingency is increased to 100 percent, whereas under U.S. GAAP the amount of the benefit for any uncertain tax position is the largest amount that is greater than 50 percent likely of being realized upon settlement;

- reinsurance accounting assessment is based on a criteria that differs from the criteria under U.S. GAAP, and assets and liabilities are reported net of reinsurance, whereas under U.S. GAAP, assets and liabilities are reported gross of reinsurance;

- U.S. GAAP requires that for certain reinsurance arrangements, whereby assets are retained by the ceding insurer (such as funds withheld or modified coinsurance) and a return is paid based on the performance of underlying investments, then the liabilities for these reinsurance arrangements must be adjusted to reflect the fair value of the invested assets; NAIC SAP does not contain a similar requirement;

- certain assets, such as intangible assets, overfunded pension plan assets, furniture and equipment, and unsecured receivables are considered nonadmitted and excluded from assets, whereas they are included in assets under U.S. GAAP subject to a valuation allowance, as appropriate;

- contracts that have any mortality and morbidity risk, regardless of significance, and contracts with life contingent annuity purchase rate guarantees are classified as insurance contracts, whereas under U.S. GAAP, only contracts that have significant mortality or morbidity risk are classified as insurance contracts, otherwise they are accounted for in a manner consistent with the accounting for interest bearing or other financial instruments;

- goodwill held by an insurance company is admitted subject to a 10% limitation on surplus and amortized over the useful life of the goodwill, not to exceed 10 years, and goodwill held by non-insurance subsidiaries is assessed in accordance with U.S. GAAP, subject to certain limitations for holding companies and foreign insurance subsidiaries, whereas under U.S. GAAP, goodwill, which is considered to have an indefinite useful life, is tested for impairment and losses are recorded, only when goodwill is deemed impaired;

- fair value is required to be used in the determination of the expected return on the plan assets component of the net periodic benefit cost of pension and other postretirement obligations, whereas under U.S. GAAP, the market-related value of plan assets is used. The market-related value of plan assets can be either fair value or a calculated value that recognizes asset gains or losses over a period not to exceed five years;

- effective January 1, 2013, NAIC SAP adopted U.S. GAAP guidance for pension and other postretirement benefit plans which resulted in two temporary differences: (i) the transition from the accrued liability for other postretirement benefits is scheduled to be phased-in over the period of 6 years (i.e., 2019), and (ii) the additional liability recognized as of January 1, 2013 related to non-vested participants, will be amortized into net periodic benefit cost over the remaining future service to the vesting date of the individual plans;

- surplus notes are included as a component of surplus, whereas under U.S. GAAP, they are presented as a liability;

- corporate securities deemed to be other than temporarily impaired are written down to fair value, whereas under U.S. GAAP, if certain conditions are met, credit impairments on corporate securities are recorded based on the net present value of future cash flows expected to be collected, discounted at the current book yield. Also, if certain conditions are met, the non-credit portion of the impairment on a loan-backed or structured security is not accounted for whereas under U.S. GAAP, if certain conditions are met, the non-credit portion of the impairment on a debt security is recorded through other comprehensive income. A non-credit loss exists when the fair value of a security is less than the present value of projected future cash flows expected to be collected;

- undistributed income and capital gains and losses for limited partnerships and limited liability companies are reported in surplus as unrealized gains or losses, whereas under U.S. GAAP, in many cases, i.e. under specialized accounting treatment for investment companies, unrealized gains and losses are included in net investment income;

- contracts that contain an embedded derivative are not bifurcated between components and are accounted for consistent with the host contract, whereas under U.S. GAAP either the contract is recorded at fair value with changes in the fair value included in earnings or the embedded derivative needs to be bifurcated from the host contract and accounted for separately;

- certain derivative instruments are carried at amortized cost, whereas under U.S. GAAP, all derivative instruments are carried at fair value; and

- changes in the fair value of derivative financial instruments not carried at amortized cost are recorded as unrealized capital gains or losses and reported as changes in surplus, whereas under U.S. GAAP, these changes are generally reported through earnings unless they qualify and are designated for cash flow or net investment hedge accounting.

The effects on the financial statements of the variances between NAIC SAP and U.S. GAAP are material to New York Life.

Adjustments for Impaired Investments

The cost basis of bonds and equity securities are adjusted for impairments in value deemed to be other-than-temporary, with the associated realized loss reported in net income. The cost basis of limited partnerships is adjusted for impairments in value deemed to be other than temporary, with the difference between cost and carrying value (which approximates fair value) recognized as a realized loss reported in net income. The new cost basis of an impaired limited partnership is not adjusted for subsequent increases in the underlying audited equity of the investee.

Statutory Investment Reserves

NAIC SAP requires a life insurance company to maintain both an AVR and an IMR to absorb both realized and unrealized gains and losses on a portion of its investments. The AVR is an investment reserve established to provide for default risk on fixed income assets and market value fluctuation on equity-type investments. The amount of the AVR is determined by formula, which considers the type of investment, the credit rating (where applicable) and current year changes in realized and unrealized capital gains and losses (other than those resulting from changes in interest rates). Under NAIC SAP, this reserve is included in total adjusted capital ("**TAC**") for RBC purposes. Changes in the AVR are accounted for as direct increases or decreases in surplus.

The IMR applies to all types of fixed maturity securities, including bonds, preferred stocks, mortgage-backed securities, asset-backed securities, mortgage loans and certain derivatives. The IMR is designed to capture the after-tax capital gains or losses which are realized upon the sale of such investments and which result from changes in the overall level of interest rates. The captured after-tax net realized gains or losses are then amortized into income over the remaining period to the stated maturity of the investment sold. The IMR is not treated under NAIC SAP as part of TAC for RBC purposes. New York Life's IMR was $502 million at June 30, 2015.

Dividends

New York Life annually determines the amount of dividends payable to eligible policyholders. These dividends have the effect of reducing the cost of insurance to policyholders and should be distinguished from the dividends paid on shares of capital stock by other types of business corporations or by stock life insurance companies. Policies on which such dividends may be payable are referred to as participating policies; policies on which such dividends are not payable are referred to as non-participating policies.

Annually, the Board of Directors approves the divisible surplus[1] of New York Life, which is paid out to eligible policyholders in accordance with an actuarially determined dividend scale. New York Life has discretion, subject to statutory requirements as to the source of dividends, to vary the amount of dividends payable to policyholders, even many years after the issuance of a particular policy. In determining the policyholder dividends payable in any year, the Board of Directors considers, among other things, the amounts necessary to meet New York Life's future policy obligations, maintain reserves and operate the business. To the extent authorized by New York Life's Board of Directors, New York Life has the right to continue to declare policyholder dividends and to make dividend payments on its participating policies. These dividends are paid out of surplus.

[1] Divisible surplus is the portion of New York Life's total surplus that is available, following each year's operations, for distribution in the form of dividends.

Policy Reserves

Life insurance companies price their insurance products based upon assumptions regarding certain future events, including investment income, expenses incurred and use of mortality and morbidity tables. NAIC SAP prescribes methods for providing for future benefits to be paid on a conservative basis, primarily by charging current operations with amounts necessary to establish appropriate reserves for anticipated future claims. Thus, under applicable state law, New York Life must maintain reserves in amounts which are actuarially calculated to be sufficient to meet its various policy and contract obligations as they become due. Such reserves appear as liabilities on New York Life's financial statements.

New York Life is required under the New York Insurance Law to conduct annually an analysis of the sufficiency of all life insurance and annuity statutory reserves.

Reinsurance

New York Life uses a variety of reinsurance agreements with insurers to control its loss exposure. Generally, these agreements are structured either on an automatic basis, where all risks meeting prescribed criteria are automatically covered, or on a facultative basis, where the reinsurer must accept the specific reinsurance risk before the reinsurer becomes liable on that risk. The amount of each risk retained by New York Life on a facultative basis depends on its evaluation of the specific risk, its maximum retention limits and the amount of reinsurance available.

Under the terms of the reinsurance agreements, the reinsurers will be liable to reimburse New York Life for the ceded amount in the event a claim on a reinsured policy is paid. New York Life remains primarily liable for all claims payable on reinsured policies, even if the reinsurer fails to meet its obligations under the reinsurance agreement. New York Life routinely collects amounts due from its reinsurers on a timely basis.

Separate Accounts

Under state insurance laws, insurers are permitted to establish separate investment accounts in which assets backing certain policies, including certain group annuity contracts, are held. The investments in each separate account (which may be pooled or customer specific) are maintained separately from those in other separate accounts and the general account. Generally, the investment results of the separate accounts assets pass through to separate account policyholders and contractholders, so that an insurer derives management and other fees from, but bears no investment risk on these assets. In separate accounts for products with minimum interest rate or benchmark guarantees, the risk that the investment results of the separate accounts assets will not meet the minimum rate guaranteed on these products is borne by the insurer. Under the terms of the contracts of certain guaranteed separate accounts, New York Life will share in the excess investment performance of the separate account over an established benchmark.

STATUTORY CAPITALIZATION OF NEW YORK LIFE

New York Life is a mutual insurance company incorporated under the laws of the State of New York, United States. New York Life was incorporated on May 21, 1841 under the name Nautilus Insurance Company, was licensed to transact business in the State of New York on April 17, 1845 and changed its name to New York Life Insurance Company on April 5, 1849. The U.S. federal employer identification number of New York Life is 13-5582869. The registered office of New York Life is 51 Madison Avenue New York, New York 10010. The telephone number of New York Life is +1 (800) 692-3086.

As a mutual company, New York Life has no capital stock and no shareholders. New York Life's participating policyholders generally have certain rights to receive policy dividends, and they and certain other policyholders may have rights to receive distributions in a proceeding for its rehabilitation, liquidation or dissolution. Policyholders also have certain rights to vote in the election of directors as provided by New York State law.

New York Life's balance sheet includes its surplus and an AVR. The amount by which the admitted assets of New York Life exceed its liabilities is referred to as surplus. The AVR stabilizes surplus from fluctuations in the value of the investment portfolio (other than fluctuations in the value of certain fixed income investments due to interest rate changes) of New York Life.

The following table sets forth debt and the capitalization of New York Life at June 30, 2015. The AVR is included in the following table even though such reserve is shown as a liability on New York Life's balance sheet. This treatment is consistent with the general view of the insurance industry. In addition, such reserve is included as part of TAC for RBC purposes.

	June 30, 2015 (in millions)	
Debt		
Short-Term Debt (less than 1 year)[1]	$	503
Medium-Term Debt (1 – 10 years)		1
Long-Term Debt (greater than 10 years)		-
Total Debt	**$**	**504**
AVR		2,679
Surplus:		
Surplus notes		1,992
Unassigned funds		16,795
Surplus and AVR	**$**	**21,466**

[1] Primarily represents affiliated loans.

SELECTED HISTORICAL STATUTORY FINANCIAL INFORMATION OF NEW YORK LIFE

The table presented below sets forth selected financial information for New York Life. Prospective investors should read it in conjunction with "Certain Financial and Accounting Matters", "Summary of Certain Second Quarter Financial Information" and New York Life's statutory financial statements. The selected financial information for New York Life at and for each of the years ended December 31, 2014, 2013, and 2012 has been derived from the annual audited statutory financial statements. The selected financial information for New York Life at and for the six months ended June 30, 2015 and 2014 has been derived from the quarterly unaudited statutory financial statements.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results may differ from estimates. Historical results are not necessarily indicative of results for any future period.

	At or for the six months ended June 30,		At or for the year ended December 31,		
	2015	**2014**	**2014**	**2013**	**2012**
	(Unaudited)				
			(in millions)		
Statement of Operations Data:					
Total income	$ 9,985	$ 9,543	$ 20,056	$ 18,993	$ 19,514
Dividends to policyholders[1]	877	791	1,687	1,507	1,403
Net gain from operations	242	287	902	473	813
Net income	216	306	848	520	690
Balance Sheet Data:					
Total assets	$ 150,016	$ 142,090	$ 146,267	$ 139,198	$ 134,727
Total liabilities	$ 131,229	$ 123,250	$ 127,661	$ 121,344	$ 118,158
Surplus:					
Surplus notes	$ 1,992	$ 1,992	$ 1,992	$ 1,992	$ 1,991
Unassigned funds	16,795	16,848	16,614	15,862	14,578
Surplus	18,787	18,840	18,606	17,854	16,569
Asset valuation reserve[2]	2,679	2,571	2,438	2,418	2,279
Surplus and asset valuation reserve	$ 21,466	$ 21,411	$ 21,044	$ 20,272	$ 18,848
Other Data:					
Equity investment in subsidiaries[3]	$ 9,646	$ 9,770	$ 9,580	$ 8,824	$ 8,659

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1 Dividends to policyholders are discretionary and subject to the approval of New York Life's Board of Directors.

2 These amounts are included in Total liabilities but are treated as part of adjusted capital in the calculation of RBC.

3 Included in Total assets above.