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Delivering on promises: a.s.r. reports successful 2016

Strong financial performance throughout 2016

- Operating result at € 599 million, up 11.5%, driven by strong business performance and income from acquired businesses.
- Combined ratio at 95.6%, ahead of targeted 97.0%.
- Gross written premiums up 5.8%, rising to € 4,328 million, reflecting increases in both Non-life and Life segments. In particular, P&C gross written premiums rose 7.8% to € 1,083 million.
- Operating expenses down to € 569 million from € 575 million last year, while absorbing the additional cost base of acquired businesses.
- Net result up 6.3%, rising to € 659 million, primarily reflecting the increase in operating result.
- Operating ROE at 14.1%, above the medium-term target of up to 12%.

Robust Solvency II ratio and strong balance sheet

- Increase in Solvency II ratio¹ (standard formula and post-dividend) to 189% from 180%² at the beginning of 2016. Before proposed dividend, the Solvency II ratio was 194% at the end of 2016.
- Organic capital creation of € 301 million, 9.0% of required capital, in line with guidance at IPO.
- Holding cash position of € 354 million at year-end 2016 (target € 350 million).
- Financial leverage at 25.2% (target <30%) and double leverage at 102.9%.

Proposed dividend of € 187 million exceeding guidance

- Proposed full year 2016 dividend of € 187 million, up from € 170 million last year and exceeding the previous guidance of a discretionary dividend for 2016 of € 175 million.
- Proposed cash dividend of € 1.27 per share, up 12% (2015: pro-forma € 1.13).³

Execution of strategy on track

- a.s.r.'s performance in line with or better than financial targets.
- Further increase in customer satisfaction led to a positive Net Promoter Score (NPS) of 4.6 at the end of 2016 from a minus 5.4 at the end of 2015.
- Cost reduction initiatives on track to achieve medium term target of € 50 million.
- Integration of funeral insurer AXENT (2.4 million policies) completed, well ahead of schedule.
- Finalization of legal mergers of insurance entities into the single Non-life entity (excluding Health) and into the Life entity.
- General pension fund 'Het nederlandse pensioenfonds' initiated by a.s.r., obtained its authorization and signed its first customers.
- Acquisitions of SuperGarant and Corins (both in the Distribution and Services segment), announced in July, have been closed.
- Acquisition of BNG asset management completed, adding third-party asset management capabilities and € 5 billion in assets under management.
- SOS International and real estate development projects were divested.

¹ The Solvency II (standard formula) ratios reported at day-one 2016 and 2016 are post-dividend (resp. € 170 million and proposed € 187 million). The ratios are presented excluding a.s.r. Bank.

² The eligible own funds (at day-one) stood at € 6,076 million and the required capital at € 3,374 million. The reported year-end 2015 midpoint estimate was 185%.

³ Proposed dividend per share of € 1.27 based on 147 million shares. Dividend 2015 of € 1.13 based on 150 million shares (pro-forma).

Jos Baeten, CEO of a.s.r.: 'Clearly, 2016 was a successful year for a.s.r. Our strategy of 'value-over-volume' delivered on its promises. a.s.r. reports a strong set of financial results. Our results are in line with or even better than our medium term targets. The group's operating result was up 12% to almost € 600 million and this yielded an operating return of more than 14%, versus a target of up to 12%. Our efforts to enhance customers' satisfaction are paying off. Customers continue to give us higher scores in customer satisfaction surveys and our Net Promoter Score has become positive. This is recognized in the AFM yearly report on financial institutions surveying their focus on customer interests. Key in achieving this has been our longstanding relationship with the intermediaries, which continuous to be our most important distribution channel.

In the Non-life segment, our underwriting expertise is reflected in our results, including the impact of hail and water damage claims we have been able to keep the combined ratio in the 95% range, better than the target of 97%. Market developments towards more rational pricing allowed us to both grow our top-line with an overall growth of 6% in P&C and Disability and to gradually enhance the quality of our portfolio by being prudent in the risks we underwrite.

The Life segment showed a strong increase in operating result which was driven by higher income from the realized gains reserve and from a higher contribution from acquired businesses as well as higher investment related result on swaptions. In our DC-pension business we have been able to double the sales. The integration of AXENT was well executed, ahead of time and on budget.

The various activities in non-insurance are performing in line with expectations. We have acquired SuperGarant and Corins and we expect them, together with the existing distribution entities of VKG and Dutch ID, to gain further traction next year. The acquisition of BNG asset management has been completed and showed success in winning an asset management mandate of € 1.7 billion. The operating result of a.s.r. Bank was lower than expected reflecting further strengthening of the organization.

Our organic capital creation of € 301 million was in line with guidance at IPO. Our solvency ratio is robust at 189%. This enables us to remain entrepreneurial, to pursue profitable growth and pay an attractive dividend to our shareholders.

Driven by the strong financial performance, we propose to pay in cash a dividend of € 187 million. This is exceeding the earlier guidance of a discretionary dividend of € 175 million for 2016 and significantly up from € 170 million last year. The proposed dividend is in line with the new dividend policy that became effective as of 1 January 2017.

Following the successful IPO last year, the Dutch State reduced its stake in a.s.r. to 50.1% this January. This placement was also well received by the market. a.s.r. participated in this transaction and acquired three million shares, the maximum amount our mandate allowed us to. At the upcoming AGM we will request a new and market consistent mandate to buy back our shares, that may provide us the flexibility to participate in future sell down by the State.

In 2016 we delivered the proof points that we are executing our strategy diligently and consistent with our equity story. We appreciate the recognition that, while balancing the interests of all our stakeholders, we are taking the right steps to enhance long-term shareholder value and we are grateful to the investment community for their continued trust and confidence in our company and strategy.

Our employees are the driving force that make our strategy of 'value-over-volume' a successful reality. On behalf of the Executive Board, I would like to thank all our employees right across the organization for their commitment and dedication in serving our customers and in helping a.s.r. to move forward.

Looking ahead, I believe that 2017 will be an exciting year and I am confident that, with our customer focus, underwriting expertise, financial discipline and robust solvency, we are well positioned to benefit from sound business opportunities in a challenging and competitive market. We are well on track towards achieving our medium-term targets.'

a.s.r. key figures (amounts in € million unless stated otherwise)	2016	2015 restated	Delta (%)
Operating result	599	537	11.5%
Operating return on equity	14.1%	14.4%	-0.3%-p
Net result	659	620	6.2%
Return on equity	17.0%	17.8%	-0.8%-p
Gross written premiums	4,328	4,092	5.8%
Operating expenses	-569	-575	-1.0%
Combined ratio, Non-life	95.6%	95.0%	0.6%-p
New business, Life (APE)	152	92	65.2%
	31 Dec. 2016	31 Dec. 2015 restated	Delta (%)
Total equity	4,471	4,259	5.0%
Total equity attributable to shareholders	3,780	3,574	5.8%
Solvency II (standard formula – post- (proposed) dividend)	189%	(day-one)180%	9.0%-p
Financial leverage	25.2%	25.1%	0.1%-p
Holding cash position (ring-fenced)	354	201	76.1%
Number of FTEs (internal)	3,461	3,650	-5.2%
	2016	2015 restated	Delta (%)
Operating result per share (€)	2.77	2.46	12.6%
Dividend per share (€)	1.27	1.13	12.4%
Basic earnings per share (on IFRS basis) (€)	4.17	3.91	6.6%

Notes

- The financial information for 2015 has been restated due to retrospective adjustments to the provisions related to the acquisitions (one year window) and immaterial adjustments related to the accounting for a.s.r.'s employee benefits.
- The operating result represents profit or loss before tax adjusted for (i) investment income of an incidental nature (including realized capital gains, impairment losses and realized and unrealized changes in value) and (ii) incidental items not relating to ordinary activities, e.g. as a result of changes in accounting policies, consulting fees for acquisitions, restructuring expenses, start-up costs and shareholder-related expenses.
- The operating ROE is calculated by dividing the operating result before tax less interest on hybrid capital and taxes (tax rate: 25%) by the annual average of equity attributable to shareholders less the reserve for unrealized gains and losses and equity for real estate development (discontinued operations).
- Operating result per share and basic earnings per share are based on 150 million issued and outstanding ordinary shares. Dividend per share 2016 is based on 147 million shares.

Financial calendar 2017

Publications

29 March	Annual report 2016
31 May	Q1 Trading update
30 August	Interim results 2017
29 November	Q3 Trading update

Dividend and AGM

22 February	Dividend proposal
31 May	Annual General Meeting
2 June	Ex-dividend date
5 June	Dividend record date
7 June	Payment of dividend over 2016

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About a.s.r.

ASR Nederland N.V. ('a.s.r.') has been in the insurance business since 1720. a.s.r. is one of the leading insurance companies in the Netherlands and offers insurance, pension, banking and asset management solutions under the labels a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen. a.s.r. is listed on the Amsterdam Euronext stock exchange. For more information, please visit www.asrnl.com.

Financial and business performance in 2016

a.s.r. key figures (in € million, unless stated otherwise)	2016	2015 restated ⁴	Delta
Gross written premiums	4,328	4,092	5.8%
- Non-life	2,433	2,350	3.5%
- Life	2,013	1,828	10.1%
- Eliminations	-118	-86	-37.2%
Operating expenses	-569	-575	-1.0%
- Non-life	-204	-207	-1.4%
- Life	-203	-205	-1.0%
- Banking and Asset Management	-58	-48	20.8%
- Distribution and Services	-35	-22	59.1%
- Holding and Other / Eliminations	-63	-87	-27.6%
- Real Estate Development	-6	-6	0.0%
Operating expenses associated with ordinary activities	-549	-538	2.0%
Provision for restructuring expenses	-17	-30	-43.3%
Operating result	599	537	11.5%
- Non-life	136	169	-19.5%
- Life	551	441	24.9%
- Banking and Asset Management	2	12	-83.3%
- Distribution and Services	12	3	300.0%
- Holding and Other / Eliminations	-102	-88	-15.9%
- Real Estate Development	-	-	-
Incidental items (not included in operating result)	239	269	-11.2%
- Investment income	171	413	-58.6%
- Underwriting incidentals	11	-	-
- Other incidentals	57	-144	139.6%
Profit/(loss) before tax	838	806	4.0%
- Non-life	187	217	-13.8%
- Life	642	716	-10.3%
- Banking and Asset Management	7	10	-30.0%
- Distribution and Services	12	4	200.0%
- Holding and Other / Eliminations	5	-48	110.4%
- Real Estate Development	-15	-93	83.9%
Income tax expense	-197	-157	25.5%
Profit/(loss) for the year from continuing operations	641	649	-1.2%
Profit/(loss) for the year from discontinued operations	17	-26	165.4%
Non-controlling interest	1	-3	133.3%
Profit/(loss) for the year attributable to holders of equity instruments	659	620	6.3%
Earnings per share			
Operating result per share (€)	2.77	2.46	12.6%
Dividend per share (€)	1.27	1.13	12.4%
Basic earnings per share on IFRS basis (€)	4.17	3.91	6.6%
(in € million)	2016	2015 restated	Delta
New business, Life (APE)	152	92	65.2%
New business, Non-life	220	208	5.8%
Combined ratio, Non-life	95.6%	95.0%	0.6%-p
Return on equity	17.0%	17.8%	-0.8%-p
Operating return on equity	14.1%	14.4%	-0.3%-p
Number of internal FTEs	3,461	3,650	-5.2%
Equity and solvency (in € million)	31 Dec. 2016	31 Dec. 2015 restated	Delta
Total assets	56,952	53,356	6.7%
Equity attributable to shareholders	3,780	3,574	5.8%
Total equity (IFRS)	4,471	4,259	5.0%
Solvency II ratio (standard formula post (proposed) dividend) ⁵	189%	180% ⁶	9.0%-p

⁴ The figures for 2015 have been restated due to retrospective adjustments to the provisions related to the acquisitions (one year window) and immaterial adjustments related to the accounting for a.s.r.'s employee benefits.

⁵ The Solvency II (standard formula) ratios reported at day-one 2016 and 2016 are post-dividend (resp. € 170 million and proposed € 187 million). The ratios are presented excluding a.s.r. Bank.

⁶ Solvency II ratio at the beginning of 2016 ('day-one 2016').

The **operating result** increased € 62 million from € 537 million to € 599 million (11.5%):

- In the Non-life segment, the operating result decreased by € 33 million, while the combined ratio remained strong at 95.6%, exceeding the target of <97.0%. The decrease in operating result in 2016 was mainly attributable to lower direct investment income and a lower contribution from the equalization system in the Health business in 2016. The P&C business performed well, including the absorption of the hail and water damage claims earlier (impact of € -25 million) in 2016.
- The increase in operating result by € 110 million in the Life segment was attributable to the positive contributions by acquisitions and a higher investment-related result on swaptions. The increased release of the realized gains reserve compensated for lower direct investment income.
- The non-insurance activities incurred an operating loss of € 88 million. This is a € 15 million decrease on 2015; this was due mainly to the Tier 2 subordinated debt of € 500 million raised in September 2015, which led to a higher interest expense of € 17 million. Acquisitions contributed to an increase in operating result (€ 8 million) in the Distribution and Services segment.

Gross written premiums increased by € 236 million (i.e. 5.8%) to a level of € 4,328 million. In the Non-life segment, premiums went up slightly (3.5%) due to underlying growth in the P&C (motor) portfolio and to a lesser extent to the Occupational Disability business. Growth in the Life segment (10.1%) was driven by the contributions by acquisitions (AXENT, De Eendragt) and the transfer of the NIVO funeral insurance portfolio at the beginning of 2016.

New business went up in the Non-life as well as the Life segment. In the Non-life segment, new business rose to € 220 million, 5.8% higher than in 2015, while the Non-life combined ratio remained strong at 95.6%. Sales increased mainly in the occupational disability business and in the P&C business. In the Life segment, new business (measured in Annualized Premium Equivalents; APE) increased to € 152 million, a € 60 million increase on 2015. This growth is predominately related to the transfer of the NIVO funeral insurance portfolio (APE: € 52 million) and renewals of existing pension contracts (€ 11 million), especially in Q4 2016. In line with the strategy to focus on the defined contribution (DC) pension business, the level of new DC production nearly doubled compared to 2015 thanks to the *Werknemers Pensioen* proposition.

Operating expenses decreased from € 575 million to € 569 million (-1.0%). Excluding the impact of non-ordinary items, operating expenses increased to € 549 million (2015: € 538 million). This increase was the result of a.s.r.'s acquisitions (De Eendragt, AXENT, Dutch ID, BNG Vermogensbeheer, SuperGarant, Corins and the portfolio transfer of NIVO), which increased the regular cost basis by € 13 million. Disregarding this impact, operating expenses decreased by € 2 million. The measures taken to reduce regular costs and to create a more flexible cost base are on target.

The **number of internal FTEs** decreased by 189 (i.e. 5.2%) to 3,461 FTEs as at 31 December in 2016 (2015: 3,650 FTEs). Acquisitions in 2016 (SuperGarant, Corins and BNG asset management) added 50 FTEs. Adjusted for the number of internal FTEs of sold businesses in 2016 (a.s.r. Vastgoed Ontwikkeling and SOS International, i.e. 161 FTEs in total), the decrease would have been 28 FTEs.

Profit for the year was up 6.3%, rising to € 659 million (2015: € 620 million) due to a higher operating result (pre-tax: € 62 million) and other incidentals, including an IAS19 release of a.s.r.'s own pension scheme (pre-tax: € 100 million) in the first half of 2016. Profit for the year at a.s.r. Vastgoed Ontwikkeling increased by € 121 million mainly as a result of additional loss provisions for the development portfolio in 2015. The sale of a.s.r.'s equity exposure in 2015 led to a high level of realized capital gains on equity compared to 2015 (pre-tax: € 242 million negative).

Operating return on equity remained strong at 14.1% (2015: 14.4%), exceeding the target of 'up to 12%'. IFRS-based return on equity stood at 17.0% (2015: 17.8%). The addition of profit for the year, partly offset by the dividend, discretionary interest payments and a negative impacted from IAS 19-related actuarial gains and losses due to a decrease in the discount rate, led to an overall positive effect on equity. Earnings per share were up, with operating result per share increasing from € 2.46 to € 2.77 (12.6%).

The **Solvency II ratio** increased by 9 percentage points to 189% (day-one 2016: 180%). The Solvency II ratio increased from day-one 2016 mainly due to accretion driven by organic growth, cost savings and LACDT guidance.

Medium-term targets

During the IPO process and a.s.r.'s subsequent listing on Euronext, the a.s.r. management communicated targets. These targets relate to the medium term. In 2016, a.s.r. delivered on its promises by exceeding its medium-term financial targets.

	2016	Medium-term target
Solvency II (standard formula)	189%	> 160%
Operating return on equity	14.1%	up to 12%
Operating expenses	on target	€ 50 million
Combined ratio, Non-life	95.6%	< 97%
Financial leverage	25.2%	< 30%
S&P rating (insurance business)	Single A	Single A

Dividend for 2016

Management proposes to distribute a cash dividend of € 187 million for the full year 2016; this is a € 17 million increase compared to last year. The proposed dividend also exceeds the guidance given at IPO, which involved a discretionary dividend for 2016 of € 175 million. The increase in dividend is driven by strong operating results and reflects management's confidence in the performance of the business.

The proposed dividend per share amounts to € 1.27 per share payable in cash, up 12.4% from 2015 (pro-forma € 1.13). Following the approval of the Annual General Meeting on 31 May 2017, the dividend will become payable with effect from 7 June 2017. The a.s.r. stock will trade ex-dividend on 2 June 2017.

Dividend policy for 2017

In 2016, a.s.r. announced a dividend policy for 2017. Going forward, the annual dividend will be based on a pay-out ratio of 45% to 55% of net operating result attributable to shareholders (i.e. net of hybrid costs). a.s.r. applies a boundary condition based on its Solvency II position. a.s.r. does not plan to pay a cash dividend if the Solvency II ratio were to fall below 140%.

To enable future dividend distributions, a.s.r. seeks to attain a cash position at holding level of at least € 350 million. At year end, the cash position at holding level was € 354 million.

Insurance business

Non-life segment

- The operating result stood at € 136 million. Better conditions in the occupational disability business were more than offset by Health due to a lower contribution from the equalization system and higher claims.
- At 95.6%, the combined ratio remained at a good level (2015: 95.0%) despite a rising ratio at Health. This demonstrates a.s.r.'s excellence in underwriting capabilities.
- Gross written premiums rose to € 2,433 million (3.5%), mainly related to growth in the P&C business and Occupational Disability.
- Operating expenses, including the provision for restructuring expenses, were down 5% as a result of continuing operational efficiency improvements combined with lower restructuring expenses.

Key figures, Non-life (in € million, unless stated otherwise)	2016	2015	Delta
Gross written premiums	2,433	2,350	3.5%
Operating expenses	-204	-207	-1.4%
Provision for restructuring expenses	-6	-15	-60.0%
Operating result	136	169	-19.5%
Incidental items (not included in operating result)	51	48	6.3%
- Investment income	30	63	-52.4%
- Underwriting incidentals	27	-	-
- Other incidentals	-6	-15	-60.0%
Profit/(loss) before tax	187	217	-13.8%
Profit/(loss) for the year attributable to holders of equity instruments	143	169	-15.4%
New business, Non-life	220	208	5.8%

Combined ratio, Non-life	2016	2015	Delta
Combined ratio, Non-life segment	95.6%	95.0%	0.6%-p
- Commission ratio	15.3%	15.0%	0.3%-p
- Cost ratio	8.3%	8.9%	-0.6%-p
- Claims ratio	72.0%	71.1%	0.9%-p
Combined ratio			
- P&C (a.s.r. Schade, Ditzo and Europeesche Verzekeringen)	98.5%	98.5%	0.0%-p
- Occupational Disability	88.2%	89.6%	-1.4%-p
- Health	99.1%	95.5%	3.6%-p

The **operating result** in the Non-life segment continued to be strong. The underwriting results of the Occupational Disability business increased and were driven by growing business volumes, reflecting the recovery of the Dutch economy in combination with expertise in claims handling, prevention and reintegration. In the Health insurance business, the operating result showed a decrease of € 25 million due to lower benefits in 2016 from the Dutch National Health Care Institute ('Zorginstituut Nederland') via the equalization system and higher dentist claims for supplementary health insurance. Higher claims from exceptional hail and water damage in June 2016 led to a specific claims burden of € 25 million after reinsurance in the P&C business. Furthermore, an increase was seen in the number of large claims (€ 7 million), which was partly covered by reinsurance.

The **combined ratio** stood at 95.6% (2015: 95.0%) and remained strong, absorbing hail and water damage claims. The cost ratio further improved by 0.6 percentage points to 8.3%, the commission ratio increased slightly and the claims ratio increased. Disregarding the impact of hail and water damage claims in June 2016, the combined ratio would have been 94.5% (-1.1 percentage points) for the Non-life segment and 96.1% (-2.4 percentage points) for the P&C business (a.s.r. Schade, Ditzo and Europeesche Verzekeringen).

Gross written premiums in the Non-life segment increased from € 2,350 million to € 2,433 million (3.5%). The increase was mainly related to the P&C motor business and attributable to an increase in premiums in the mandated brokers distribution channel. The occupational disability business also contributed to the growth as a result of the slight economic recovery and fewer bankruptcies, which led to higher employment levels and higher wages. Despite growth of new policies at Ditzo, Health insurance business premiums decreased by 4% due to equalization system.

New business in the Non-life segment increased by 5.8% to € 220 million and was driven by further growth in sales of *Vernieuwd Voordeelpakket* (P&C), mainly in the intermediary channel (up 9% from 2015). Growth of new business included the higher contribution from *Doorgaanverzekering* (occupational disability and Health). This product allows business owners to combine health insurance with occupational disability, and was launched successfully at the end of 2015.

Operating expenses improved by 1.4% to € 204 million thanks to continuing focus on cost efficiency. The provision for restructuring expenses decreased by € 9 million to € -6 million, primarily in the P&C business. In the first half of 2016, the business of Europeesche Verzekeringen was further integrated with the transfer from Amsterdam to the a.s.r. office in Utrecht.

The decline in **profit for the year** was mainly attributable to developments in operating result. A lower contribution of incidental investment income, including realized capital gains on equity, was offset by an incidental release of premium reserves (€ 27 million).

Life segment

- The operating result increased by € 110 million to € 551 million as a result of acquisitions and the positive effect of higher gains on swaptions.
- Gross written premiums increased by 10.1% to € 2,013 million also due to the acquisitions.
- Operating expenses were down 1%, absorbing the additional cost of the acquired businesses and integration costs.
- Profit for the year decreased to € 492 million because of a high level of realized capital gains on equity investments in 2015.

Key figures, Life (in € million, unless stated otherwise)	2016	2015 restated	Delta
Recurring premiums	1,279	1,256	1.8%
Single premiums	734	572	28.3%
Gross written premiums	2,013	1,828	10.1%
Operating expenses	-203	-205	-1.0%
Provision for restructuring expenses	-9	-11	-18.2%
Operating result	551	441	24.9%
Incidental items (not included in operating result)	91	275	-66.9%
- Investment income	115	287	-59.9%
- Underwriting incidentals	-16	-	-
- Other incidentals	-8	-12	-33.3%
Profit/(loss) before tax	642	716	-10.3%
Profit/(loss) for the year attributable to holders of equity instruments	492	560	-12.1%
Cost-premium ratio (APE)	11.7%	12.3%	-0.6%-p
New business (APE)	152	92	65.2%

The **Operating result** amounted to € 551 million, up from € 441 million last year. The increase was mainly due to higher gains on swaps and swaptions (€ 73 million) and the contribution from acquisitions (AXENT, De Eendragt and NIVO-portfolio) of an additional € 22 million.

The successful integration of 2.4 million AXENT policies led to advantages in terms of capital, diversification and efficiencies of scale. This is also reflected, for example, in an improvement of the cost-premium ratio by 0.6% percentage points from 12.3% to 11.7% absorbing the additional costs of acquired businesses and integration costs.

Gross written premiums increased by 10.1% to € 2,013 million. Recurring premiums increased by € 23 million to € 1,279 million (1.8%). The decrease in the individual life portfolio was more than offset by growth in the funeral business (AXENT and NIVO) and pension business (De Eendragt). The DC pension product *Werknemers Pensioen* also contributed to the growth as did customers switching as a result of the commercial integration of De Eendragt. Single premiums in the Life segment increased by € 162 million to € 734 million (28.3%). The increase was mainly attributable to the transfer of the NIVO funeral portfolio (€ 323 million) and a pension contract for AstraZeneca (€ 195 million). In 2015, the Chevron pension contract added € 370 million in single premiums. As lapses are structurally higher than new production in the individual life market, gross written premiums have decreased over time. The level of lapses of unit-linked policies in the individual life business is shrinking and showed a slight decrease in 2016, dropping from 1.7% in 2015 to 1.5% in 2016.

New business, measured in APE, increased from € 92 million last year to € 152 million in 2016 (€ 60 million). Excluding the inflow on new business from the single and regular premiums associated with the NIVO funeral insurance portfolio (impact: € 52 million), the underlying growth of the Life segment was € 8 million (Pension business: € 11 million; Individual Life: € -2 million; Funeral: more or less stable). In the Pension business, the shift from capital-intensive defined benefit (DB) products to capital-light DC products was reflected in a doubling of new business from the *Werknemers Pensioen* product proposition.

In Funeral business, the share of the online channel continued to grow. This year, 48% of total new business was written through the online distribution channel (2015: 45%).

Operating expenses, including the additional cost base of acquisitions (€ 8 million), decreased by € 2 million to € 203 million (-1.0%). Due to the successful migration of acquired portfolios to a.s.r.'s ICT platform, efficiencies of scale were achieved. As a result, the cost premium ratio improved by 0.6% percentage point to 11.7%. During 2016, further steps were taken to achieve the cost-savings ambitions. This includes the migration of several product and system combinations to a new single platform and the use of business process outsourcing to make costs more flexible.

Profit for the year decreased by € 68 million from € 560 million to € 492 million. The decline was mainly attributable to a fall in equity investments in 2015, which resulted in a relatively high level of capital gains in 2015.

Non-insurance business

Banking and Asset Management segment⁷

Key figures, Banking and Asset Management (in € million)	2016	2015	Delta
Total income	128	126	1.6%
Operating expenses	-58	-48	20.8%
- of which associated with ordinary activities	-	-	-
Provision for restructuring expenses	-1	-1	-
Operating result	2	12	-83.3%
Incidental items (not included in operating result)	5	-2	350.0%
- Investment income	6	-1	700.0%
- Underwriting incidentals	-	-	-
- Other incidentals	-1	-1	0.0%
Profit/(loss) before tax	7	10	-30.0%
Taxes	-2	-2	-
Profit/(loss) for the year attributable to holders of equity instruments	5	8	-37.5%

The **operating result** of the Banking and Asset Management segment stood at € 2 million (2015: € 12 million). A higher net interest margin and fee income was offset by higher operating expenses. In 2016, operating expenses also included costs related to the acquisition of BNG asset management.

a.s.r. Bank offers savings and investment products to retail customers; several of these products are tax-efficient. Savings deposits increased by € 212 million, rising from € 1,174 million to € 1,386 million (up 18%) despite the low interest rate on savings. The growth was partly attributable to a net inflow in the annuity savings account and to *Extra Pensioen Uitkering* (Extra Pension Benefit). This retail investment product serves as a supplement to state or company pension plans.

a.s.r. Hypotheken services the mortgage portfolio. New business volumes of *WelThuis* mortgages amounted to € 1,286 million compared to € 1,356 million in 2015 (-5.2%). The total mortgage portfolio on a.s.r.'s balance sheet, primarily within the Life segment, rose by 11%, climbing from € 6.5 billion at year-end 2015 to € 7.2 billion at 31 December 2016.

At € 6.2 billion, Assets under management in investment funds at **ASR Nederland Beleggingsbeheer** (ANB) were fairly stable (year-end 2015: € 6.3 billion).

BNG Vermogensbeheer was renamed into **a.s.r. de nederlandse vermogensbeheerders**. This acquisition was included in the Bank and Asset Management segment on 20 May 2016. a.s.r. de nederlandse vermogensbeheerders is a leading asset manager in the (semi) public and pension sector, and manages customized portfolios and customer-tailored investment funds. At year-end 2016, its assets under management stood at € 5.2 billion.

The Real Estate Investment Management business (**'a.s.r. REIM'**) manages a well-diversified real estate portfolio consisting of rural, retail, residential and office investments in the Netherlands. The ASR Dutch Mobility Office Fund was launched late in 2016. This fund offers institutional investors the opportunity to invest in high-quality offices near mobility hubs. a.s.r. REIM's assets under management increased by 10% to € 4,638 million (2015: € 4,210 million) thanks to revaluations and the acquisition of the offices portfolio of Basisfonds Stationslocaties C.V. from Dutch Railways (NS).

⁷ The Banking and Asset Management segment consists of all the banking activities and the activities related to asset management, including investment property management. These activities include ASR Bank N.V., ASR Vastgoed Vermogensbeheer B.V., ASR Nederland Beleggingsbeheer N.V. and ASR Hypotheken B.V. ASR Vermogensbeheer B.V. (formerly BNG Vermogensbeheer B.V.) has also been added to this segment with effect from 20 May 2016.

The vacancy rate of the real estate portfolio in the reporting period, measured in gross rental income, stood at 10.2% (year-end 2015: 6.3%). This increase was primarily attributable to the retail portfolio including a number of former V&D stores and former owner-occupied offices. As new leases have been signed with effect from mid-2017, this increase will be temporary.

Distribution and Services segment⁸

Key figures, Distribution and Services (in € million)	2016	2015	Delta
Total income	48	26	84.6%
Operating expenses	-35	-22	59.1%
- of which associated with ordinary activities	-	-	-
Provision for restructuring expenses	-	-	-
Operating result	12	3	300.0%
Incidental items (not included in operating result)	-	1	-
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-	1	-
Profit/(loss) before tax	12	4	200.0%
Taxes	-3	-1	-
Profit/(loss) for the year attributable to holders of equity instruments	9	3	200.0%

The Distribution and Services segment made a greater contribution to the operating result in 2016. Following the acquisitions of VKG and Dutch ID (2015), SuperGarant (distribution of occupational disability) and Corins (distribution and underwriting of commercial P&C), this segment has gained substance in line with strategic objectives. The acquisitions fit into a.s.r.'s strategic objectives to create value through controlled growth in the non-life portfolio by using the enhanced distribution channel and simultaneously increasing premium income.

The **operating result** increased from € 3 million to € 12 million and was mainly the result of the acquisition of Dutch ID at the end of 2015. Total income, mainly comprising service fees and operating expenses, increased as a result of the acquisition.

⁸ This segment includes the financial intermediary business of Poliservice B.V., Van Kampen Groep Holding B.V. and Dutch ID B.V. (with effect from 19 November 2015). The activities of B.V. Nederlandse Hulpverleningsorganisatie SOS International were classified as discontinued operations. B.V. Nederlandse Hulpverleningsorganisatie SOS International was sold in the first quarter of 2016. The activities of SuperGarant Verzekeringen, SuperGarant Zorg (closing date: 1 September) and Corins (closing date: 3 October) have been included in this segment as from the respective closing dates.

Holding and Other segment/Eliminations⁹

Key figures, Holding and Other/Eliminations (in € million)	2016	2015 restated	Delta
Operating expenses	-63	-87	-27.6%
- of which associated with ordinary activities	-48	-56	-14.3%
Provision for restructuring expenses	-1	-	-
Operating result	-102	-88	-15.9%
Incidental items (not included in operating result)	107	40	167.5%
- Investment income	20	62	-67.7%
- Underwriting incidentals	-	-	-
- Other incidentals	87	-22	495.5%
Profit/(loss) before tax	5	-48	110.4%
Taxes	-4	47	-108.5%
Non-controlling interest	1	1	-
Profit/(loss) for the year attributable to holders of equity instruments	2	-	-

The decline in the **operating result** by € 14 million from a loss of € 88 million to a loss of € 102 million was primarily due to the strengthening of a.s.r.'s capital structure in 2015. a.s.r. issued € 500 million subordinated Tier 2 notes in the third quarter of 2015. The related interest component led to an increase in interest expenses by € 17 million in 2016. Furthermore, a.s.r.'s own pension scheme (IAS 19), influenced by a higher discount rate, resulted in a higher interest accrual (up € 9 million) and contributed to the decline.

Operating expenses amounted to € -63 million (2015: € -87 million). This decrease was mainly due to higher incidental costs in 2015. These costs relate to M&A and the preparations for a.s.r.'s IPO. Excluding these effects, operating expenses associated with ordinary activities decreased by € 8 million to € -48 million mainly due to lower current net service costs for a.s.r.'s own pension scheme (€ 6 million).

Profit before tax improved from a loss of € 48 million to a profit of € 5 million. This improvement was mainly attributable to incidentals (€ 67 million), which included € 100 million related to a.s.r.'s own pension scheme (IAS 19) as a result of the 2014 amendment to the a.s.r. post-employment benefit plan for future inflation indexation for former employees. The contribution by incidental investment income decreased by € 42 million compared to 2015.

⁹ The Holding and Other segment consists primarily of the holding activities of ASR Nederland N.V. (including the group-related activities) and the activities of ASR Deelnemingen N.V. Certain holding-related expenses are recognized in this segment (including audit, group finance, group risk management, group balance sheet management, corporate communication and marketing). This segment is a cost centre.

Real Estate Development segment

Key figures, Real Estate Development (in € million)	2016	2015	Delta
Profit/(loss) for the year from continuing operations	-10	-91	89.0%
Profit/(loss) for the year from discontinued operations	17	-19	189.5%
Profit/(loss) attributable to non-controlling interests	1	-3	133.3%
Profit/(loss) for the year attributable to holders of equity instruments	8	-113	107.1%
Total assets	154	172	-10.5%

The Real Estate Development segment consists of property development activities and is divided into continuing operations and discontinued operations. The 2015 comparative figures are in line with the current split of property development activities into discontinued and continuing operations. a.s.r. no longer defines real estate development as part of its core business, which is why this business is in run-off. The results from this business are not included in the operating result.

Profit for the year increased from a loss of € 113 million to a profit of € 8 million. As a result of a remeasurement of the net realizable value of the related assets and liabilities, impairments of these assets were recognized in 2015.

a.s.r. sold parts of real estate development business in 2016. The total assets further decreased by € 18 million, falling from € 172 million to € 154 million.

Capital management

- The Solvency II ratio (standard formula) continues to be robust at 189% after distribution of the proposed dividend (day-one 2016: 180%) and well within our target of above 160%.
- Capital accretion stood at € 475 million before dividend and at € 288 million after dividend. Organic capital creation amounted to € 301 million.
- The financial leverage rose to 25.2% (year-end 2015: 25.1%), within the target of below 30%.
- The double leverage ratio stood at 102.9% (year-end 2015: 101.0%).
- Equity attributable to holders of equity instruments (IFRS-based equity) increased by € 212 million, rising from € 4,259 million to € 4,471 million.

Solvency II

Solvency II (in € million)	31 Dec. 2016	1 Jan. 2016 (day-one)	Delta
Eligible own funds	6,299	6,076	3.7%
Required capital	3,338	3,374	-1.1%
Solvency II ratio	189%	180%	9.0%-p

The increase in the Solvency II ratio was mainly due to organic growth, cost savings and LACDT guidance. Eligible own funds increased to € 6,299 million at 31 December 2016 (31 December 2015: € 6,076 million) as a result of organic growth. The required capital stood at € 3,338 million (1 January 2016: € 3,374 million). This decrease was mainly caused by LACDT guidance and a lower life insurance underwriting risk as a result of cost savings and mass lapse reinsurance. These effects were partially offset by an increase in market risk (mainly spread risk).

Equity

Breakdown of total equity (in € million)	31 Dec. 2016	31 Dec. 2015 restated	Delta
Share capital	24	100	-76.0%
Share premium reserve	1,038	962	7.9%
Unrealized gains and losses (excl. IAS19)	726	686	5.8%
Actuarial gains and losses (IAS19)	-755	-467	61.7%
Retained earnings	2,747	2,293	19.8%
Equity attributable to shareholders	3,780	3,574	5.8%
Other equity instruments	701	701	-
Equity attributable to holders of equity instruments	4,481	4,275	4.8%
Non-controlling interest	-10	-16	-37.5%
Total equity attributable to shareholders	4,471	4,259	5.0%

Statement of changes in total equity (in € million)	2016	2015 restated
Beginning of reporting period - total equity	4,259	3,703
Profit/(loss) for the year	659	620
Unrealized gains and losses	40	-51
Actuarial gains and losses (IAS19)	-288	167
Gains and losses from non-controlling interests	-1	3
Dividend	-170	-139
Other changes (e.g. coupon hybrids)	-28	-44
End of reporting period - total equity	4,471	4,259

Equity attributable to holders of equity instruments (IFRS-based equity) increased by € 212 million from € 4,259 million to € 4,471 million. The increase was mainly the result of the addition of profit for the year of € 659 million. This positive effect was tempered by the remeasurement of a.s.r.'s own pension contract (net effect: € -288 million) mainly as a result of the adjustment of the discount rate from 2.52% to 1.73%. The other changes includes the distribution of € 170 million in dividend for 2015 in the second quarter of 2016 and the pay-out of coupons on equity instruments of € 34 million.

Disregarding the actuarial gains and losses (IAS 19), equity attributable to holders of equity instruments increased by € 494 million from € 4,742 million to € 5,236 million.

Financial leverage

Financial leverage (in € million)	31 Dec. 2016	31 Dec. 2015 restated	Delta
Basis for financial leverage (equity attributable to shareholders)	3,780	3,574	5.8%
Financial liabilities	1,273	1,198	6.3%
of which hybrids	701	701	-
of which subordinated liabilities	497	497	-
of which senior debt	75	-	-
Financial leverage (%)	25.2%	25.1%	0.1%-p
Interest coverage ratio	12.1	15.1	-3.0

Financial leverage is defined as the funding of the holding company as a percentage of total equity attributable to holders of equity instruments.

Double leverage

Double leverage (in € million)	31 Dec. 2016	31 Dec. 2015 restated	Delta
Total value of associates	5,121	4,817	6.3%
Equity attributable to shareholders	3,780	3,574	5.8%
Hybrids and subordinated liabilities	1,198	1,198	-
Equity attributable to holders of equity instruments	4,978	4,772	4.3%
Double leverage (%)	102.9%	101.0%	1.9%-p

Double leverage is determined on the basis of equity attributable to holders of equity instruments (IFRS-based equity). Double leverage increased from 101.0% in 2015 to 102.9% in 2016, due to a lower increase in equity attributable to holders of equity instruments compared to the increase in the total value of associates. Actuarial gains and losses (IAS 19) impacted the development of equity attributable to holders of equity instruments.

The figures contained in this press release have not been audited, nor have they been subjected to a limited review by an auditor.

Appendices

- 1 Financial statements
 - 1.1 Consolidated balance sheet
 - 1.2 Consolidated income statement
 - 1.3 Consolidated statement of changes in equity
 - 1.4 Segmented balance sheet
 - 1.5 Segmented income statement

1. Financial statements

1.1. Consolidated Balance Sheet (before profit appropriation)

Consolidated Balance Sheet (€ million)	31 December 2016	31 December 2015 restated
Intangible assets	326	299
Property, plant and equipment	171	166
Investment property	3,057	2,667
Associates and joint ventures	20	20
Investments	25,471	25,063
Investments on behalf of policyholders	7,745	7,924
Loans and receivables	11,468	10,480
Derivatives	3,060	2,196
Deferred tax assets	595	511
Reinsurance contracts	635	611
Other assets	773	712
Cash and cash equivalents	3,581	2,629
Assets held for sale	50	78
Total assets	56,952	53,356
Share capital	24	100
Share premium reserve	1,038	962
Unrealized gains and losses	726	686
Actuarial gains and losses	-755	-467
Retained earnings	2,747	2,293
Total equity attributable to shareholders	3,780	3,574
Other equity instruments	701	701
Equity attributable to holders of equity instruments	4,481	4,275
Non - controlling interests	-10	-16
Total equity	4,471	4,259
Subordinated liabilities	497	497
Liabilities arising from insurance contracts	32,484	30,586
Liabilities arising from insurance contracts on behalf of policyholders	9,928	9,997
Employee benefits	3,257	2,962
Provisions	49	50
Borrowings	114	55
Derivatives	577	377
Deferred tax liabilities	-	-
Due to customers	1,911	1,760
Due to banks	2,835	1,805
Other liabilities	827	970
Liabilities relating to assets held for sale	2	38
Total liabilities	52,481	49,097
Total liabilities and equity	56,952	53,356

1.2. Consolidated Income Statement

Consolidated Income Statement (€ million)	2016	2015 restated
Continuing operations		
Gross written premiums	4,328	4,092
Change in provisions for unearned premiums	58	16
Gross insurance premiums	4,386	4,108
Reinsurance premiums	-126	-343
Net insurance premiums	4,260	3,765
Investment income	1,356	1,359
Realized gains and losses	639	716
Fair value gains and losses	121	922
Result on investments on behalf of policyholders	322	559
Fee and commission income	59	52
Other income	168	85
Share of profit / (loss) of associates and joint ventures	3	1
Total income	2,668	3,694
Insurance claims and benefits	-4,846	-5,527
Insurance claims and benefits recovered from reinsurers	120	291
Net insurance claims and benefits	-4,726	-5,236
Operating expenses	-569	-575
Provision restructuring expenses	-17	-30
Acquisition costs	-398	-369
Impairments	12	28
Interest expense	-258	-231
Other expenses	-134	-240
Total expenses	-1,364	-1,417
Profit before tax	838	806
Income tax (expense) / gain	-197	-157
Profit from continuing operations	641	649
Discontinued operations		
Profit (loss) from discontinued operations net of tax	17	-26
Profit for the year	658	623
Attributable to:		
- Attributable to non-controlling interests	-1	3
- Shareholders	625	586
- Holders of other equity instruments	45	45
- Tax on interest of other equity instruments	-11	-11
Profit attributable to holders of equity instruments	659	620

1.3. Consolidated Statement of Movements in equity

(€ million)	Share capital	Share premium reserve	unrealized gains and losses	Actuarial gains and losses pension obligation	Retained earnings	Treasury shares	Equity attributable to shareholders	Other equity instruments	Non - controlling interests	Total equity
At 1 January 2016	100	962	686	-467	2,293	-	3,574	701	-16	4,259
Profit for the year	-	-	-	-	659	-	659	-	-1	658
Total other comprehensive income	-	-	40	-288	-	-	-248	-	-	-248
Total comprehensive income	-	-	40	-288	659	-	411	-	-1	410
Dividend paid	-	-	-	-	-170	-	-170	-	-1	-171
Discretionary interest on other equity instruments	-	-	-	-	-45	-	-45	-	-	-45
Tax relating to interest on other equity instruments	-	-	-	-	11	-	11	-	-	11
Increase (decrease) in capital	-76	76							8	8
Other	-	-	-	-	-1	-	-1	-	-	-1
At 31 December 2016	24	1,038	726	-755	2,747	-	3,780	701	-10	4,471
At 1 January 2015	100	962	737	-634	1,857	-	3,022	701	-20	3,703
Profit for the year	-	-	-	-	620	-	620	-	3	623
Total other comprehensive income	-	-	-51	167	-	-	116	-	-	116
Total comprehensive income	-	-	-51	167	620	-	736	-	3	739
Dividend paid					-139		-139		-4	-143
Discretionary interest on other equity instruments	-	-	-	-	-45	-	-45	-	-	-45
Tax relating to interest on other equity instruments					11		11			11
Capital investment non-controlling interest	-	-	-	-	-	-	-	-	5	5
Other					-11		-11			-11
At 31 December 2015 restated	100	962	686	-467	2,293	-	3,574	701	-16	4,259

1.4. Segmented Balance Sheet

As at 31 December 2016 (€ million)	Insurance		Non - insurance Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
	Non - life	Life						
Intangible assets	1	155	4	166	-	-	-	326
Property, plant and equipment	-	147	-	5	19	-	-	171
Investment property	366	2,691	-	-	-	-	-	3,057
Associates and joint ventures	-	3	-	-	15	2	-	20
Investments	4,618	20,475	255	-	2,802	-	-2,679	25,471
Investments on behalf of policyholders	-	7,745	-	-	-	-	-	7,745
Loans and receivables	304	10,079	1,166	11	63	4	-159	11,468
Derivatives	4	3,055	1	-	-	-	-	3,060
Deferred tax assets	-	-	-	-	582	2	11	595
Reinsurance contracts	442	193	-	-	-	-	-	635
Other assets	108	797	14	-	-235	138	-49	773
Cash and cash equivalents	174	2,876	106	31	387	7	-	3,581
Assets held for sale	-	-	-	-	-	1	49	50
Total assets	6,017	48,216	1,546	213	3,633	154	-2,827	56,952
Equity attributable to holders of equity	1,174	3,890	112	176	-859	26	-38	4,481
Non-controlling interests	-	9	-	-	-	-10	-9	-10
Total equity	1,174	3,899	112	176	-859	16	-47	4,471
Subordinated liabilities	15	-	-	-	497	-	-15	497
Liabilities arising from insurance contracts	4,611	30,196	-	-	-	-	-2,323	32,484
Liabilities arising from insurance contracts on behalf of policyholders	-	9,928	-	-	-	-	-	9,928
Employee benefits	-	-	-	3	3,254	-	-	3,257
Provisions	-	23	-	-	25	1	-	49
Borrowings	2	97	-	1	10	55	-51	114
Derivatives	5	572	-	-	-	-	-	577
Deferred tax liabilities	54	-548	5	7	488	-4	-2	-
Due to customers	55	840	1,386	11	-	-	-381	1,911
Due to banks	1	2,758	1	-	75	-	-	2,835
Other liabilities	100	451	42	15	143	84	-8	827
Liabilities relating to assets held for sale	-	-	-	-	-	2	-	2
Total liabilities	4,843	44,317	1,434	37	4,492	138	-2,780	52,481
Total liabilities and equity	6,017	48,216	1,546	213	3,633	154	-2,827	56,952

1.4. Segmented Balance Sheet (continued)

As at 31 December 2015 (€ million) restated	Insurance		Non - insurance					Eliminations	Total
	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development			
Intangible assets	1	166	-	132	-	-	-	299	
Property, plant and equipment	-	153	-	5	8	-	-	166	
Investment property	342	2,325	-	-	-	-	-	2,667	
Associates and joint ventures	-	3	-	-	16	1	-	20	
Investments	4,594	20,041	376	-	2,587	-	-2,535	25,063	
Investments on behalf of policyholders	-	7,924	-	-	-	-	-	7,924	
Loans and receivables	298	9,268	848	5	115	13	-67	10,480	
Derivatives	5	2,191	-	-	-	-	-	2,196	
Deferred tax assets	-	14	-	-	485	1	11	511	
Reinsurance contracts	410	201	-	-	-	-	-	611	
Other assets	125	604	2	-	-94	135	-60	712	
Cash and cash equivalents	163	2,105	82	20	257	2	-	2,629	
Assets held for sale	-	-	-	7	-	20	51	78	
Total assets	5,938	44,995	1,308	169	3,374	172	-2,600	53,356	
Equity attributable to holders of equity	1,130	3,677	82	134	-710	-	-38	4,275	
Non-controlling interests	-	9	-	-	-	-16	-9	-16	
Total equity	1,130	3,686	82	134	-710	-16	-47	4,259	
Subordinated liabilities	15	-	-	-	497	-	-15	497	
Liabilities arising from insurance contracts	4,513	28,214	-	-	-	-	-2,141	30,586	
Liabilities arising from insurance contracts on behalf of policyholders	-	9,997	-	-	-	-	-	9,997	
Employee benefits	-	15	-	2	2,945	-	-	2,962	
Provisions	-	24	2	1	23	-	-	50	
Borrowings	2	44	-	1	20	8	-20	55	
Derivatives	-	377	-	-	-	-	-	377	
Deferred tax liabilities	72	-507	-	5	432	-	-2	-	
Due to customers	87	856	1,170	6	-1	-	-358	1,760	
Due to banks	-	1,803	-	2	-	-	-	1,805	
Other liabilities	119	486	54	13	168	147	-17	970	
Liabilities relating to assets held for sale	-	-	-	5	-	33	-	38	
Total liabilities	4,808	41,309	1,226	35	4,084	188	-2,553	49,097	
Total liabilities and equity	5,938	44,995	1,308	169	3,374	172	-2,600	53,356	

1.5. Segmented Income Statement

2016 (€ million)	Insurance		Non - insurance Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
	Non - life	Life						
Continuing operations								
Gross written premiums	2,433	2,013	-	-	-	-	-118	4,328
Change in provisions for unearned premiums	58	-	-	-	-	-	-	58
Gross insurance premiums	2,491	2,013	-	-	-	-	-118	4,386
Reinsurance premiums	-122	-4	-	-	-	-	-	-126
Net insurance premiums	2,369	2,009	-	-	-	-	-118	4,260
Investment income	119	1,130	111	-	10	-	-14	1,356
Realized gains and losses	56	621	5	-	-	-	-43	639
Fair value gains and losses	15	94	1	-	2	-	9	121
Result on investments on behalf of policyholders	-	318	-	-	-	-	4	322
Fee and commission income	34	-	11	40	-	-	-26	59
Other income	2	28	-	8	109	21	-	168
Share of profit / (loss) of associates and joint ventures	-	3	-	-	-	-	-	3
Total income	226	2,194	128	48	121	21	-70	2,668
Insurance claims and benefits	-1,917	-3,116	-	-	-	-	187	-4,846
Insurance claims and benefits recovered from reinsurers	116	4	-	-	-	-	-	120
Net insurance claims and benefits	-1,801	-3,112	-	-	-	-	187	-4,726
Operating expenses	-204	-203	-58	-35	-87	-6	24	-569
Provision restructuring expenses	-6	-9	-1	-	-1	-	-	-17
Acquisition costs	-396	-16	-	-	-	-	14	-398
Impairments	14	-2	-	-	-	-	-	12
Interest expense	-4	-142	-20	-	-30	-1	-61	-258
Other expenses	-11	-77	-42	-1	-11	-29	37	-134
Total expenses	-607	-449	-121	-36	-129	-36	14	-1,364
Profit before tax	187	642	7	12	-8	-15	13	838
Income tax (expense) / gain	-44	-149	-2	-3	-	5	-4	-197
Profit from continuing operations	143	493	5	9	-8	-10	9	641
Discontinued operations								
Profit (loss) from discontinued operations net of tax	-	-	-	-	-	17	-	17
Profit for the year	143	493	5	9	-8	7	9	658
Profit attributable to non - controlling interests	-	-1	-	-	-	1	1	1
Profit attributable to holders of equity	143	492	5	9	-8	8	10	659

1.5 Segmented Income Statement (continued)

2015 restated (€ million)	Insurance		Non - insurance Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
	Non - life	Life						
Continuing operations								
Gross written premiums	2,350	1,828	-	-	-	-	-86	4,092
Change in provions for unearned premiums	16	-	-	-	-	-	-	16
Gross insurance premiums	2,366	1,828	-	-	-	-	-86	4,108
Reinsurance premiums	-131	-212	-	-	-	-	-	-343
Net insurance premiums	2,235	1,616	-	-	-	-	-86	3,765
Investment income	126	1,145	116	-	12	1	-41	1,359
Realized gains and losses	72	643	-1	-	-	2	-	716
Fair value gains and losses	24	896	-	-	1	-	1	922
Result on investments on behalf of policyholders	-	559	-	-	-	-	-	559
Fee and commission income	26	-	11	25	-	-	-10	52
Other income	3	31	-	1	-	50	-	85
Share of profit / (loss) of associates and joint ventures	-	-	-	-	1	-	-	1
Total income	251	3,274	126	26	14	53	-50	3,694
Insurance claims and benefits	-1,745	-3,932	-	-	-	-	150	-5,527
Insurance claims and benefits recovered from reinsurers	79	212	-	-	-	-	-	291
Net insurance claims and benefits	-1,666	-3,720	-	-	-	-	150	-5,236
Operating expenses	-207	-205	-48	-22	-112	-6	25	-575
Provision restructuring expenses	-15	-11	-1	-	-	-3	-	-30
Acquisition costs	-361	-18	-	-	-	-	10	-369
Impairments	9	16	-	-	3	-	-	28
Interest expense	-1	-166	-21	-	41	-1	-83	-231
Other expenses	-28	-70	-46	-	-2	-136	42	-240
Total expenses	-603	-454	-116	-22	-70	-146	-6	-1,417
Profit before tax	217	716	10	4	-56	-93	8	806
Income tax (expense) / gain	-48	-155	-2	-1	49	2	-2	-157
Profit from continuing operations	169	561	8	3	-7	-91	6	649
Discontinued operations								
Profit (loss) from discontinued operations net of tax	-	-	-	-7	-	-19	-	-26
Profit for the year	169	561	8	-4	-7	-110	6	623
Profit attributable to non - controlling interests	-	-1	-	-	-	-3	1	-3
Profit attributable to holders of equity	169	560	8	-4	-7	-113	7	620

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