

PRESS RELEASE, 20 August 2014

Improved results driven by sustainable strategy

The strategy of meeting customers' needs is bearing fruit. a.s.r. looks back on an excellent first half of 2014 and is right on schedule for the upcoming privatization. Net result rose to €161 million, predominantly due to an improvement in underwriting result. Operating expenses decreased by 3%. In the Non-Life segment, the combined ratio improved to 93.7%. Net result of the Life segment remained more or less stable. DNB solvency ratio was up 16%-point on year-end 2013, rising to 284%.

a.s.r. invests in product innovation and sustainable business practices

- One example of a successful product innovation is the updated Voordeelpakket (package of non-life insurance policies). Both intermediaries and customers increasingly benefit from this policy.
- With non-life insurance policies for businesses, a.s.r. works closely with intermediaries in prevention and managing claims, to be able to offer attractive premiums to customers.
- In the occupational disability business, a.s.r. focuses on prevention and reintegration efforts, which is helpful for both employers and employees. Employees return to work faster and claims are managed better, which ultimately benefits the customer, for instance by offering more attractive premiums.
- The Werknemers Pensioen (Employee Pension) was successfully launched late last year. The main features of this product are simplicity with low costs, fully online and offering employees freedom of choice.
- The WelThuis Hypotheek (mortgage) has been modified so that the interest paid by customers decreases as they redeem their mortgage.
- The Ditzo 'Kijk kanker de wereld uit' (Fighting Cancer) campaign met broad acclaim and has received various awards (Esprit Awards, Online Video Award 2014 and SAN Accent).
- Doorgaan.nl, De Amersfoortse's crowd funding platform for business owners, was a success from the start. Several young entrepreneurs have received help with funding their business activities.
- The Dutch Consumers' Association has named a.s.r. the best complaints-handling organization of all banks and insurance companies.
- The Eerlijke Verzekeringwijzer (Fair Insurance Guide) ranks a.s.r. as the most sustainable investor among insurers.
- The renovation of the a.s.r.'s head office is in full swing. The first wing has been completed. This is an important step towards a cost-efficient office that meets the strictest sustainability requirements.

Increase in net result to €161 million

- Net result for the first half of 2014 increased by 46% on H1 2013, rising from €110 million to €161 million. When adjusted for the additional WGA-ER (Return to work of the partially disabled – own risk) expense of €39 million, which affected the 2013 net result, the increase amounted to 8%.
- In the Non-Life segment, net result strongly increased to €90 million (H1 2013: €6 million; excluding the additional WGA-ER expense: €45 million). The strong improvement in the combined ratio in this business to 93.7% is mainly attributable to better claims prevention and handling, and lower costs. Overall, the combined ratios of a.s.r.'s various non-life businesses were well below 100%.
- At €164 million, net result of the Life segment was more or less the same (H1 2013: €165 million).
- In the Other segment, net results declined from €-61 million in H1 2013 to €-93 million due, in part, to preparations for the privatization, a number of provisions and investments in new initiatives.

Operating expenses again decreased; down 3% to €267 million

- Operating expenses fell to €267 million in H1 2014 (H1 2013: €276 million), partly due to a 5% decrease in the number of internal FTEs from 3,812 at 30 June 2013 to 3,630 at 30 June 2014.

DNB solvency remains strong at 284% (year-end 2013: 268%)

- In H1 2014, DNB solvency ratio rose by 16%-point, reaching 284%, predominantly due to developments in the yield curve.

Premium income stable in Non-Life segment; premium income in Life segment down in line with market

- At €1,415 million, premium income in the Non-Life segment was more or less stable (H1 2013: €1,410 million), which is partially the result of growth in the occupational disability and health insurance businesses.
- Premium income in the Life segment decreased by 10% to €916 million (H1 2013: €1,013 million), in line with market developments and the choice of value creation over volume. Income from single premiums (€131 million) and regular premiums (€785 million) fell at more or less the same rate.

Jos Baeten, CEO of a.s.r.: 'The interests of customers comes first to a.s.r. That's why I am pleased with what we have achieved over the past six months with regards to our initiatives for customers and businesses, the launch of new and simple products, and our efforts to help business owners. Our updated Voordeelpakket is clearly meeting a need in the non-life market aimed at consumers. The same goes for our new Werknemers Pensioen (Employee Pension), which is enjoying increasing interest from businesses. The first seven projects by start-ups, that together with De Amersfoortse went looking for co-investors, proved to be a success as well. Via the crowd funding website doorgaan.nl, these start-ups received a lot of positive response. That we are at the heart of society is best illustrated by our socially responsible investment policy. This is what earns us recognition in independent surveys and pushes us into the top three of several rankings.

And while we are serving our customers as best as we possibly can, we are continuing our preparations for our privatization. Our financial performance in the first half year of 2014 gives us confidence in a successful return to the private market. Our net results and profitability improved compared to the first half of 2013, our costs were further reduced and our DNB solvency ratio continues to be robust. We also see investments in claims prevention and handling bearing fruit in the form of a strongly improved result of our non-life business, combined with a considerable improvement in the combined ratio.

In the context of the opportunity offered to us by the Ministry of Finance and the Dutch Parliament, we are seriously exploring a merger with SNS REAAL's insurance business. First and foremost, our focus is on finding potential investors, as minority shareholders in a.s.r., to fund such an acquisition. When exploring our options, we make a very careful assessment of the interests of our current and future customers. The outcome of our assessment will be one of the factors in deciding whether or not we will submit a bid. But we don't want to bid at any cost. Since even in its current form, a.s.r. is strong enough for an independent private future.'

a.s.r. key figures (€million)	H1 2014	H1 2013
Net result	161	110 ¹
Return on equity	12.3% ²	8.8%
Gross written premiums	2,250	2,345
Operating expenses	-267	-276
Provision for restructuring expenses	-15	-6
Combined ratio, Non-Life	93.7%	104.0% ³
New insurance policies sold, Life (APE)	28	19
	30 June 2014	31 December 2013
Total equity (including revaluation of real estate)	3,482 ⁴	3,799
DNB solvency ratio	284%	268%
Total number of internal FTEs	3,630	3,789

¹ Including the additional WGA-ER expense of €39 million.

² The increase in return on equity is explained by the sharp increase in net result and the decrease in IFRS-based equity.

³ The combined ratio for H1 2013 was 99.3%, if adjusted for the additional WGA-ER expense.

⁴ The decrease in IFRS-based equity is mainly explained by the dividend distribution to shareholders and the valuation of the company pension liability in accordance with IAS 19.

Notes to a.s.r. key figures

- Net result represents the profit attributable to holders of equity instruments.
- Return on equity is calculated as net result attributable to shareholders divided by the average total IFRS-based equity attributable to shareholders.
- The unrealized revaluation of real estate included in total equity amounted to €782 million at 30 June 2014 and to €784 million at 31 December 2013.

Publication of the financial results on 20 August 2014 at 07:00 CET. Conference call for financial market participants (English) on 20 August at 14:00 CET. To find out more, please visit: www.asr.nl/EN.

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About a.s.r.

a.s.r. is the Dutch insurance company for all types of insurance. Via the a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen brands, a.s.r. offers a wide range of financial products covering non-life, life and income insurance, group and individual pensions, health insurance, travel and leisure and funeral insurance. Besides insurance products, the a.s.r. product range includes savings and investment products and bank savings products. In addition, a.s.r. invests in real estate development and operations.

Financial results for H1 2014

- **Increase in net result to €161 million (H1 2013: €110 million; excluding additional WGA-ER expense of €39 million: €149 million).**
 - Non-Life segment: improvement in combined ratio to 93.7% thanks to better claims prevention and handling, and lower costs.
 - Life segment: stable performance despite contraction in portfolio, thanks to investments and cost reductions.
 - Other segment: continued de-risking at a.s.r. vastgoed ontwikkeling (property development).
- **Operating expenses down 3%, reaching €267 million.**
- **Gross premiums written down 4% to €2,250 million (H1 2013: €2,345 million) due to contraction in life portfolio.**
- **DNB solvency ratio robust at 284% (year-end 2013: 268%).**

a.s.r. key figures (€million)	H1 2014	H1 2013
Gross premiums written, Non-Life	1,415	1,410
Gross premiums written, Life	916	1,013
Elimination of own pension contract	-81	-78
Total gross premiums written	2,250	2,345
Operating expenses, Life and Non-Life	-194	-214
Operating expenses, Other (including eliminations)	-73	-62
Total operating expenses	-267	-276
Provision for restructuring expenses	-15	-6
Net result, Non-Life	90	6 ¹
Net result, Life	164	165
Loss for the period, Other	-93	-61
Net result	161	110 ¹
Cost-premium ratio, insurance business	8.7%	9.9%
Return on equity	12.3% ²	8.8%
	30 June 2014	31 December 2013
Total equity (including revaluation of real estate)	3,482 ³	3,799
Total equity	2,700	3,015
DNB solvency ratio	284%	268%
Total number of internal FTEs	3,630	3,789

¹ Including additional WGA-ER expense of €39 million.

² The rise in return on equity is partially attributable to the sharp increase in net result and the drop in IFRS-based equity.

³ The drop in IFRS-based equity is mainly attributable to the dividend distribution to shareholders and the valuation of the company pension liability in accordance with IAS19.

Net result

Net result for the first half of 2014 rose to € 161 million, up from € 110 million last year. Excluding the additional WGA-ER (Return to work of the partially disabled – own risk) expense of € 39 million in the first half of 2013, net result increased from € 149 million to € 161 million (up 8%). The rise was attributable to a better underwriting result in the Non-Life segment, lower operating expenses and higher investment income.

In the Non-Life segment, net result rose from € 6 million to € 90 million thanks to better claims prevention and handling, lower operating expenses and the additional WGA-ER expense that was incurred in H1 2013. The combined ratio improved from 104.0% (excluding the additional WGA-ER expense: 99.3%) last year to 93.7% in the first half of 2014. Overall, the combined ratios of a.s.r.'s various non-life businesses were well below 100%.

At € 164 million, net result of the Life segment was more or less stable. Cost savings and higher investment income offset the lower contribution to net result due to portfolio contraction and some incidental underwriting expenses. Thanks to the recovery of the financial markets, the impact of impairment losses on portfolio investments is on the decline and impairments were reversed in the first half of 2014.

In the Other segment, the loss for the period declined from € -61 million to € -93 million as a result of preparations for the privatization, a number of provisions and investments in new initiatives. By pursuing a prudent risk management policy, a.s.r. vastgoed ontwikkeling (property development) managed to further scale back its risks exposures.

Operating expenses and FTEs

a.s.r.'s operating expenses saw a 3% drop in the first half of 2014, falling to € 267 million, despite investments in strategic projects and costs relating to preparations for the privatization. The cost reduction was achieved thanks to a continual focus on efficiency, causing, amongst others, a drop in FTEs. The number of internal FTEs fell from 3,812 at 30 June 2013 to 3,630 (down 5%). At year-end 2013, the number of internal FTEs was 3,789.

As for the renovation of the a.s.r. head office, the completion of the first new wing marked a milestone. The completion of the entire building is scheduled for the end of 2015. In addition to a reduction in the number of locations, lower operating expenses and a more energy-efficient building will lead to a cost reduction.

Gross premiums written

a.s.r.'s gross premiums written were down 4% compared to H1 2013, dropping to € 2,250 million at 30 June 2014.

In the Non-Life segment, gross premiums written rose 0.4%, from € 1,410 million to € 1,415 million, thanks in particular to occupational disability insurance and health insurance policies. The portfolio of other non-life policies (including Motor Vehicle and Fire insurance) showed a slight contraction.

In the Life segment, gross premiums written decreased from € 1,013 million last year to € 916 million. The Pensions business experienced a continued delay related to the indexation on existing pension contracts. The Individual Life market is contracting.

DNB solvency and equity

The DNB solvency ratio continues to be robust, rising from 268% at year-end 2013 to 284% at 30 June 2014 thanks, in part, to interest rate developments.

IFRS-based equity decreased from €3,015 million at year-end 2013 to €2,700 million at 30 June 2014. Regular movements include the addition of net result of €161 million and the distribution of the dividend declared for 2013 amounting to €99 million. Equity was also affected by the increase in a.s.r.'s IAS 19 pension liability as a result of the decline in discount rate in the first half of 2014.

Including the unrealized revaluation of investment property of €782 million (2013: €784 million), total equity stood at €3,482 million.

At €515 million, the share of hybrid Tier 1 capital in total IFRS-based equity was stable in the first half of 2014.

Non-Life segment

- Increase in net result to €90 million (H1 2013: €6 million) thanks to better claims prevention and handling, lower costs and no additional WGA-ER expense.
- Operating expenses declined by 10% to €105 million (H1 2013: €117 million).
- Gross premiums written at €1,415 million (H1 2013: €1,410 million).
- Combined ratio improved to 93.7% (H1 2013: 104.0%). Overall, the combined ratios of a.s.r.'s various non-life businesses were well below 100%.

Key figures of Non-Life segment (€million)	H1 2014	H1 2013
Gross premiums written	1,415	1,410
Operating expenses	-105	-117
Provision for restructuring expenses	-8	-3
Result before taxes	118	5
Income tax expense	-28	1
Net result	90	6 ¹
Claims ratio	69.8%	78.0% ¹
Commission ratio	15.0%	15.6%
Expense ratio	8.9%	10.3%
Combined ratio, Non-Life	93.7%	104.0% ¹

¹ Including the additional WGA-ER expense of €39 million. The combined ratio for H1 2013 was 99.3% if this additional WGA-ER expense is excluded.

Net result

In the Non-Life segment, net result rose from €6 million to €90 million thanks to a major improvement in underwriting result, lower operating expenses and the additional WGA-ER (Return to work of the partially disabled – own risk) expense in H1 2013.

Operating expenses

Operating expenses showed a €12 million decline in H1 2014, falling to €105 million. The expense ratio improved by 1.4%-point, from 10.3% to 8.9%. The fall in operating expenses was partly attributable to a reduction in the number of internal FTEs.

Gross premiums written

In a saturated Dutch non-life market, gross premiums written saw a slight increase from €1,410 million to €1,415 million. The market leadership in occupational disability insurance was strengthened. Premium income was up in the Health Insurance business as well, thanks primarily to Ditzo Zorgverzekeringen.

Despite a tentative economic recovery, the market for occupational disability insurance continues to contract due to a high number of policy cancellations as a result of business terminations. The number of cancellations in the WGA-ER portfolio increased due to the introduction of an improved premium model that makes better allowances for specific risks.

Health insurance policies are increasingly being taken out online. Customers mainly opt for relatively cheap policies and a high deductible. Coverage is more limited for supplementary health insurance, resulting in lower premiums per policy. Ditzo managed to achieve growth in the health insurance market for the third consecutive year. Rather than going for TV and radio ads, it opted for a campaign with a focus on 'helping by taking action'.

The Motor Vehicle, Fire and Other insurance portfolio showed signs of slight contraction. This was partly due to market developments, but also caused by measures taken to improve returns, including stricter risk selection. Sales volumes were up thanks to the success of the updated Voordeel Pakket (package of non-life insurance policies) that was introduced last year. In the Travel & Leisure market, Europeesche Verzekeringen's premium income was virtually stable, although Dutch people again went on fewer vacations in the first half of 2014 than the same period last year.

Combined ratio

The combined ratio in the Non-Life segment improved from 104.0% (excluding the additional WGA-ER expense in 2013: 99.3%) to 93.7%. Overall, the combined ratios of a.s.r.'s various non-life businesses were well below 100%. These ratios improved in all non-life businesses in H1, with the exception of the Health Insurance business. The improvements were attributable, among other factors, to better claims prevention and handling, and lower operating expenses.

The combined ratio in the Occupational Disability business improved from 114.3% (excluding the additional WGA-ER expense in 2013: 98.1%) to 94.0%. This improvement is primarily the result of a tightened claims policy. In the WGA-ER business, for instance, stricter acceptance criteria were introduced for new policies, the control over the claims handling process was improved on and a new premium model was implemented that makes more allowance for the customer's risk profile than before.

In the Health Insurance business, the combined ratio rose slightly to 98.8% (up 0.6%-point from H1 2013). The total health insurance portfolio also increased in H1 2014. This growth allows a.s.r. to save on care sourcing and sell health insurance policies in combination with other insurance products, such as occupational disability policies. As in previous years, the Health Insurance business did not distribute a dividend to ASR Nederland N.V.

The combined ratio in the Motor Vehicle, Fire and Other Insurance business improved from 100.7% in H1 2013 to 90.0% in H1 2014. The sharp decrease is the result of measures taken to boost returns, excellent intermediary advisory services and the reassessment of risks. The mild winter also led to fewer claims. The cost of claims was down also because of fewer major fire claims thanks, in part, to active management and prevention.

Life segment

- Net result more or less stable at €164 million (H1 2013: €165 million).
- Operating expenses down 8% to €89 million (H1 2013: €97 million).
- Gross premiums written decreased by 10% to €916 million.
- Increase in new life insurance contracts sold (APE) to €28 million (H1 2013: €19 million).

Key figures of Life segment (€million)	H1 2014	H1 2013
Regular premiums written	785	868
Single premiums	131	145
Gross insurance premiums	916	1,013
Operating expenses	-89	-97
Provision for restructuring expenses	-5	-2
Result before taxes	211	207
Income tax expense	-47	-42
Net result	164	165
Cost-premium ratio	8.6%	9.3%
New life insurance contracts sold (APE)	28	19

Net result

Net result was more or less stable at €164 million (H1 2013: €165 million) in the Life segment. The drop in underwriting result due, in part, to the contracting portfolio was offset by higher investment income and cost reductions.

Operating expenses

Operating expenses declined again in the first half of 2014; they were down €8 million (8%), landing at €89 million. This ties in with the strategy to link costs to developments in premium income so as to retain as much value as possible in the long run. The drop was driven by such factors as a decrease in FTEs and a reduction in marketing expenses in this segment. The cost-premium ratio improved despite the drop in premium income by 0.7%-point to 8.6% (H1 2013: 9.3%).

Gross premiums written

In the Life segment, premium income fell from €1,013 million to €916 million (down 10%). This drop was suffered in both the Pension portfolio and the Individual Life portfolio.

In the Pension business, premium income from regular and single premiums declined to €434 million. Amongst others, this is due to the continued delay in indexation and also attributable to tax rules, under which the tax-facilitated pension accrual for 2014 was capped at 2.15% upon retirement at age 67. More new life insurance contracts were sold thanks, in part, to an active retention policy. A large share of customers whose pension contracts with a.s.r. expired, renewed their contracts.

Late last year, a.s.r. introduced the Werknemers Pensioen (Employee Pension) under the De Amersfoortse label. More than 100 employers have already purchased the Werknemers Pensioen. The main features of this product are that it offers simplicity at low costs and can be fully arranged online; employees have a choice of a guaranteed return or risk-based investments. By introducing the Werknemers Pensioen, a.s.r. took the first steps towards becoming a key player in the market for defined contribution plans.

An Institution for Occupational Retirement Provision (IORP), a joint venture between a.s.r. and Brand New Day, is growing with over 800 employers having taken out contracts (year-end 2013: more than 500).

Reflecting developments in the market, a.s.r. is also seeing contraction in its Individual Life portfolio. The drop in regular premiums written is due to regular surrenders and a fall in demand for life insurance products. The surrender rate of unit-linked policies dropped after the peak in 2012; it has now returned to the same level as before 2011. Income from single premiums saw a limited increase in individual immediate annuities, which was attributable in particular to a successful pilot for online sales, allowing customers to purchase a product directly, without having to seek advice.

Ardanta managed to grow its market share to 17.9% in a funeral insurance market that contracted by 13% in the Netherlands in the first half of 2014. This is the fifth consecutive year that this market is showing a decline. Ardanta achieved its growth by changing the distribution mix, focusing more on direct sales with advice via the telephone and the launch of the doodgaanendoorgaan.nl website. This website, which offers practical information on funeral arrangements, has welcomed over 150,000 visitors since it was launched late last year. One-third of all policies are now being sold through direct channels. At €58 million, gross premiums written from the Funeral Insurance business were more or less stable at a normal decrease in the number of insured persons.

Other segment

- Loss for the period at €-93 million, compared with €-61 million for H1 2013, due to increase in operating expenses and provisions.
- Increase in operating expenses to €73 million (H1 2013: €62 million).
- Growth in a.s.r. Bank's Lijfrente spaarrekening (annuity savings account) thanks to an active focus on retention from the Life segment.
- Further scaling-down of property developments at a.s.r. vastgoed ontwikkeling via prudent risk management.

The Other segment comprises all non-insurance business, i.e. the banking operations (a.s.r. Bank and a.s.r. Hypotheken (mortgages)), SOS International (emergency desk), a.s.r. vastgoed ontwikkeling (property development) and the holding companies. In addition, the Other segment is used to recognize certain holding-related expenses.

Key figures of Other segment, including eliminations (€million)	H1 2014	H1 2013
Operating expenses	-73	-62
Provision for restructuring expenses	-2	-1
Loss before taxes	-128	-85
Income tax expense	34	25
Net result	-94	-60
Net result/(loss) attributable to non-controlling interests	1	-1
Net result	-93	-61

Net result

Net result in the Other segment increased from €-61 million to €-93 million due to higher provisions and an increase in operating expenses.

Operating expenses

Operating expenses rose from €-62 million to €-73 million in H1 2014. The increase was due, in particular, to exceptional expenses associated with preparing for a.s.r.'s privatization and investments in new initiatives. Expenses incurred by a.s.r. Bank, a.s.r. Hypotheken (mortgages) and a.s.r. vastgoed ontwikkeling (property development) were more or less stable.

Developments in H1 2014

In a.s.r. Bank's range of products, its savings deposits saw growth. The portfolio grew by 15%, reaching € 1,030 million (year-end 2013: € 889 million), which was attributable, in part, to deposits in the Lijfrente spaarrekening (annuity savings account) thanks to a.s.r. Bank's focus on retention of individual life insurance policies. The Lijfrente spaarrekening, which is offered in a fully online, 24/7 environment, helped a.s.r. Bank to improve its position in the annuity market. a.s.r. Bank kept its margins stable thanks to higher volumes.

a.s.r. sold in the first half of 2014 mortgages for an amount of €553 million (H1 2013: €766 million). The fall was due, in part, to changes in tax legislation governing savings-linked mortgages, causing sales volumes to drop in H1 2014. The market share of new mortgage products sold declined to 2.4% (year-end 2013: 4.0%).

The de-risking policy implemented at a.s.r. vastgoed ontwikkeling (property development) was continued in H1 2014, leading to various property developments being further scaled down, built in stages or adjusted. After the decrease in total assets by about 25% to €201 million in 2013, total assets continued to decrease in the first half of 2014 to €173 million as a result. In addition to the de-risking strategy of a.s.r. vastgoed ontwikkeling, a.s.r. formed a provision of €25 million on balance for changes in the property development outlook.

Emergency desk SOS International, an a.s.r. subsidiary, took a new step in offering road-side assistance to motorists thanks to its recent appointment as the national helpdesk for motorway incidents. This appointment by Stichting Incident Management Nederland (IMN), will take effect in April 2015.

Appendices

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- 1.1 Consolidated Balance Sheet
- 1.2 Consolidated Income Statement
- 1.3 Consolidated Statement of Movements 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)	30 June 2014	31 December 2013 restated
Intangible assets	244	253
Deferred acquisition costs	251	241
Property, plant and equipment	123	97
Investment property	1.669	1,717
Associates and joint ventures	44	42
Investments	20,802	19,688
Investments on behalf of policyholders	8,131	8,049
Loans and receivables	8,838	8,489
Derivatives	1,812	1,054
Deferred tax assets	367	228
Reinsurance contracts	421	407
Other assets	657	659
Cash and cash equivalents	2,188	1,521
Total assets	45,547	42,445
Share capital	100	100
Share premium reserve	962	962
Unrealized gains and losses	668	581
Actuarial gains and losses	-569	-107
Other reserves	882	701
Profit for the year	161	281
Total equity attributable to shareholders	2,204	2,518
Other equity instruments	515	515
Equity attributable to holders of equity instruments	2,719	3,033
Non-controlling interests	-19	-18
Total equity	2,700	3,015
Liabilities arising from insurance contracts	26,012	23,928
Liabilities arising from insurance contracts on behalf of policyholders	9,393	8,992
Employee benefits	3,068	2,426
Provisions	71	36
Borrowings	93	98
Derivatives	244	535
Deferred tax liabilities	1,586	1,366
Due to customers	1,518	677
Due to banks	862	1,372
Other liabilities	42,847	39,430
Total liabilities		
Total liabilities and equity	45,547	42,445

1.2 Consolidated Income Statement

Consolidated Income Statement (€million)	H1 2014	H1 2013
Gross premiums written	2,250	2,345
Change in provision for unearned premiums	-198	-230
Gross insurance premiums	2,052	2,115
Reinsurance premiums	-69	-79
Net insurance premiums	1,983	2,036
Investment income	723	761
Realized gains and losses	259	282
Fair value gains and losses	71	179
Result on investments on behalf of policyholders	432	212
Fee and commission income	17	30
Other income	72	60
Share of profit/(loss) of associates and joint ventures	-3	1
Total income	1,571	1,525
Insurance claims and benefits	-2,599	-2,610
Insurance claims and benefits recovered from reinsurers	55	50
Net insurance claims and benefits	-2,544	-2,560
Operating expenses	-267	-276
Restructuring provision expenses	-15	-6
Acquisition costs	-212	-228
Impairments	9	-58
Interest expense	-198	-205
Other expenses	-126	-101
Total expenses	-809	-874
Profit before tax	201	127
Income tax (expense) / gain	-41	-16
Profit for the year	160	111
Attributable to:		
- Shareholders	160	109
- Holders of other equity instruments	1	1
- Tax on interest of other equity instruments	-	-
Profit attributable to holders of equity instruments	161	110
Attributable to non-controlling interests	-1	1
Profit for the year	160	111

1.3 Consolidated Statement of Movements in Equity

(€million)	Share capital	Share premium reserve	Unrealized gains and losses	Actuarial gains and losses	Other reserves	Profit for the year	Equity attributable to shareholders	Other equity instruments	Non-controlling interests	Total Equity
At 1 January 2014	100	962	583	-107	699	281	2,518	515	-18	3,015
Change in accounting policies	-	-	-2	-	2	-	-	-	-	-
Restated opening balance 2014	100	962	581	-107	701	281	2,518	515	-18	3,015
Profit for the year	-	-	-	-	-	161	161	-	-1	160
Total other comprehensive income	-	-	87	-462	-	-	-375	-	-	-375
Total comprehensive income	-	-	87	-462	-	161	-214	-	-1	-215
Dividend paid	-	-	-	-	-	-99	-99	-	-	-99
Profit carried over from previous financial year	-	-	-	-	182	-182	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-1	-	-1	-	-	-1
At 30 June 2014	100	962	668	-569	882	161	2,204	515	-19	2,700
At 1 January 2013	100	962	503	-224	504	316	2,161	515	-13	2,663
Change in accounting policies	-	-	-2	-	2	-	-	-	-	-
Restated opening balance 2013	100	962	501	-224	506	316	2,161	515	-13	2,663
Profit for the year	-	-	-	-	-	110	110	-	1	111
Total other comprehensive income	-	-	-77	-1	-	-	-78	-	-	-78
Total comprehensive income	-	-	-77	-1	-	110	32	-	1	33
Dividend paid	-	-	-	-	-	-88	-88	-	-	-88
Profit carried over from previous financial year	-	-	-	-	228	-228	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-1	-	-1	-	-	-1
At 30 June 2013	100	962	424	-225	733	110	2,104	515	-12	2,607

1.4 Segmented Balance Sheet

As at June 2014 (€million)	Non-Life	Life	Other	Eliminations	Total
Intangible assets	1	236	7	-	244
Deferred acquisition costs	90	161	-	-	251
Property, plant and equipment	1	112	10	-	123
Investment property	234	1,415	20	-	1,669
Associates and joint ventures	-	4	40	-	44
Investments	4,543	15,941	2,471	-2,153	20,802
Investments on behalf of policyholders	-	8,131	-	-	8,131
Loans and receivables	289	7,683	1,028	-162	8,838
Derivatives	1	1,811	-	-	1,812
Deferred tax assets	-	-	367	-	367
Reinsurance contracts	421	-	-	-	421
Other assets	51	570	39	-3	657
Cash and cash equivalents	209	1,762	192	25	2,188
Total assets	5,840	37,826	4,174	-2,293	45,547
Equity attributable to holders of equity instruments	999	2,510	-782	-8	2,719
Non-controlling interests	-	-	-19	-	-19
Total equity	999	2,510	-801	-8	2,700
Subordinated debt	15	30	-	-45	-
Liabilities arising from insurance contracts	4,596	23,509	-	-2,093	26,012
Liabilities arising from insurance contracts on behalf of policyholders	-	9,393	-	-	9,393
Employee benefits	-	-	3,068	-	3,068
Provisions	1	13	57	-	71
Borrowings	5	72	86	-70	93
Derivatives	-	243	1	-	244
Deferred tax liabilities	56	-273	217	-	-
Due to customers	42	417	1,196	-69	1,586
Due to banks	-	1,518	-	-	1,518
Other liabilities	126	394	350	-8	862
Total liabilities	4,841	35,316	4,975	-2,285	42,847
Total liabilities and equity	5,840	37,826	4,174	-2,293	45,547

1.4 Segmented Balance Sheet (continued)

As at December 2013 (€million) (restated)	Non-Life	Life	Other	Eliminations	Total
Intangible assets	1	246	6	-	253
Deferred acquisition costs	65	176	-	-	241
Property, plant and equipment	1	84	12	-	97
Investment property	235	1,466	16	-	1,717
Associates and joint ventures	-	3	39	-	42
Investments	4,154	15,245	2,320	-2,031	19,688
Investments on behalf of policyholders	-	8,049	-	-	8,049
Loans and receivables	431	7,253	970	-165	8,489
Derivatives	4	1,050	-	-	1,054
Deferred tax assets	-	-	228	-	228
Reinsurance contracts	407	-	-	-	407
Other assets	-5	503	161	-	659
Cash and cash equivalents	289	997	210	-25	1,521
Total assets	5,582	35,072	3,962	-2,171	42,445
Equity attributable to holders of equity instruments	898	2,632	-497	-	3,033
Non-controlling interests	-	-	-18	-	-18
Total equity	898	2,632	-515	-	3,015
Subordinated debt	15	30	-	-45	-
Liabilities arising from insurance contracts	4,240	21,677	-	-1,989	23,928
Liabilities arising from insurance contracts on behalf of policyholders	-	8,992	-	-	8,992
Employee benefits	-	-	2,426	-	2,426
Provisions	1	7	28	-	36
Borrowings	5	76	94	-77	98
Derivatives	-	533	2	-	535
Deferred tax liabilities	52	-250	198	-	-
Due to customers	30	319	1,057	-40	1,366
Due to banks	2	675	-	-	677
Other liabilities	339	381	672	-20	1,372
Total liabilities	4,684	32,440	4,477	-2,171	39,430
Total liabilities and equity	5,582	35,072	3,962	-2,171	42,445

1.5 Segmented Income Statement

H 2014 (€million)	Non-Life	Life	Other	Eliminations	Total
Gross premiums written	1,415	916	-	-81	2,250
Change in provision for unearned premiums	-198	-	-	-	-198
Gross insurance premiums	1,217	916	-	-81	2,052
Reinsurance premiums	-65	-4	-	-	-69
Net insurance premiums	1,152	912	-	-81	1,983
Investment income	70	610	57	-14	723
Realized gains and losses	47	212	-	-	259
Fair value gains and losses	-1	72	-	-	71
Result on investments on behalf of policyholders	-	432	-	-	432
Fee and commission income	13	-	4	-	17
Other income	2	13	62	-5	72
Share of profit/(loss) of associates and joint ventures	-	5	-8	-	-3
Total income	131	1,344	115	-19	1,571
Insurance claims and benefits	-907	-1,799	-	107	-2,599
Insurance claims and benefits recovered from reinsurers	52	3	-	-	55
Net insurance claims and benefits	-855	-1,796	-	107	-2,544
Operating expenses	-105	-89	-82	9	-267
Provision restructuring expenses	-8	-5	-2	-	-15
Acquisition costs	-186	-29	-	3	-212
Impairments	-1	9	1	-	9
Interest expense	-1	-102	-54	-41	-198
Other expenses	-9	-33	-106	22	-126
Total expenses	-310	-249	-243	-7	-809
Profit before tax	118	211	-128	-	201
Income tax expense	-28	-47	34	-	-41
Profit for the year	90	164	-94	-	160
Profit attributable to non-controlling interests	-	-	1	-	1
Profit attributable to holders of equity instruments	90	164	-93	-	161

1.5 Segmented Income Statement (continued)

H1 2013 (€million)	Non-Life	Life	Other	Eliminations	Total
Gross premiums written	1,410	1,013	-	-78	2,345
Change in provision for unearned premiums	-230	-	-	-	-230
Gross insurance premiums	1,180	1,013	-	-78	2,115
Reinsurance premiums	-72	-7	-	-	-79
Net insurance premiums	1,108	1,006	-	-78	2,036
Investment income	73	655	42	-9	761
Realized gains and losses	54	226	2	-	282
Fair value gains and losses	-3	179	3	-	179
Result on investments on behalf of policyholders	-	212	-	-	212
Fee and commission income	21	-	9	-	30
Other income	1	-	60	-1	60
Share of profit/(loss) of associates and joint ventures	-	-	1	-	1
Total income	146	1,272	117	-10	1,525
Insurance claims and benefits	-954	-1,766	-	110	-2,610
Insurance claims and benefits recovered from reinsurers	45	5	-	-	50
Net insurance claims and benefits	-909	-1,761	-	110	-2,560
Operating expenses	-117	-97	-62	-	-276
Provision restructuring expenses	-3	-2	-1	-	-6
Acquisition costs	-195	-34	-	1	-228
Impairments	-19	-28	-11	-	-58
Interest expense	-2	-120	-55	-28	-205
Other expenses	-4	-29	-73	5	-101
Total expenses	-340	-310	-202	-22	-874
Profit before tax	5	207	-85	-	127
Income tax gain / (expense)	1	-42	25	-	-16
Profit for the year	6	165	-60	-	111
Profit attributable to non-controlling interests	-	-	-1	-	-1
Profit attributable to holders of equity instruments	6	165	-61	-	110