a.s.r. de nederlandse verzekerings maatschappij voor alle verzekeringen

PRESS RELEASE, 27 August 2015

Strong first half year a.s.r.

Strong results create solid foundation for independent future

a.s.r. delivered another strong financial performance in the first half of 2015. Operating result was up, costs were under control and investment income developed well, which led to excellent results. Net result saw a strong increase in the first half of 2015, rising to € 397 million. Underlying operating result was on a steep upward curve. The DNB Solvency I ratio rose to 297% and the Solvency II ratio (standard model) increased to approximately 185%. The combined ratio in the Non-life segment continued to improve to 92.5%. These financial results show that a.s.r. is ready for an independent future as a private company. a.s.r. has further shored up its position through two recent acquisitions.

Customer needs is first priority

- It is a.s.r.'s ambition to be the most customer-friendly insurance company in the Netherlands. We continuously tailor our products and services to this ambition by developing innovations and implementing improvements.
- In the Non-life segment, the *Vernieuwde Voordeelpakket* package of policies, which was introduced last year, is as popular as ever. Sales of this package were up by 55% from the first half of 2014.
- In June, De Amersfoortse introduced a new flexible occupational disability policy. This policy allows business owners to change their insurance coverage, including insured sum, policy excess, contract term, benefit payment threshold, age limit and indexation of benefits, at any given time.
- The successful 'The Other Tour' campaign undertaken by a.s.r. pensions was a demonstration of the fact that people over the age of 60 can be really fit. It offered some of them the opportunity to ride a Tour de France stage.
- a.s.r. was awarded the Customer-Oriented Insurance Quality Mark for another year.
- Ditzo was again named the most customer-friendly insurance company in the Netherlands. This is the third time that Ditzo has won the Customer Centric DNA Award. The award is presented to businesses that customers rate as giving their best interests the highest priority.

Net result at € 397 million (H1 2014: € 171 million); operating result at € 280 million (up 27%)

- Net profit rose from € 171 million to € 397 million thanks to an increase in operating result, higher investment income due to realized capital gains and incidental income items.
- This is the first accounting period in which operating result (before tax), an indicator of the underlying financial performance, is reported. This result was up from € 221 million in the first half of 2014 to € 280 million in the reporting period. Operating return on equity improved from 13.0% to 15.8%.
- Operating expenses stood at € 273 million (H1 2014: € 264 million). The rise is primarily attributable to an increase in operations after the acquisition of Van Kampen Groep and costs incurred for other strategic acquisitions.
- The combined ratio for the Non-life segment came to 92.5% (H1 2014: 93.7%), thanks, in particular, to a strong operational performance.

Premium income increased to € 2,476 million; slight drop in Non-life segment and increase in Life segment

- In the Non-life segment, premium income saw a limited 3% decline to € 1,375 million (2014: € 1,415 million). The occupational disability and health insurance businesses experienced a fall in premium income, while premium income was up in the P&C business.
- In the Life segment, premium income rose to € 1,171 million (2014: € 916 million), mainly due to a large pension contract buy-out (€ 370 million).

DNB Solvency I ratio at 297% (year-end 2014: 285%); Solvency II (SCR) ratio at approximately 185% (year-end 2014: approximately 175%)

- The DNB Solvency I ratio continued to rise to 297% at 30 June 2015. Excluding the UFR effect, the DNB Solvency I ratio stood at 224%.
- Based on the standard formula, the Solvency II ratio came to approximately 185% at 30 June 2015 (year-end 2014: approximately 175%).

Jos Baeten, CEO of a.s.r.: ‘In the first half of 2015, a.s.r. has managed to shore up its already solid foundation for the future. More and more consumers and businesses are opting to buy our products and services through the intermediary channel. Our interim results confirm this. We managed to bring about further improvements in our performance by being highly disciplined on cost control, pricing and underwriting, and focusing on execution. As the economy recovered, we were also successful at improving our operating result while our investment policy seemed successful. Our strong balance sheet and capital position are reflected in an increase in the DNB Solvency I ratio to 297%. Based on the Solvency II standard model, the solvency ratio rose to approximately 185%. a.s.r. also announced a number of strategic acquisitions in the reporting period, which were completed in July and August. All these factors combined allow us to shape our own future.

a.s.r. keeps track of developments in society and is committed to making an active contribution. We are a dynamic organization and we will continue to build momentum, also in 2015, the year in which we celebrate our 295th anniversary. We invest in adapting to changing market conditions so that we can continue to serve our customers better. To optimize our contact options and customer service, we have created Customer Contact Centres, where customer feedback (NPS) is reflected in improvements. All our efforts are driven by what we do best, which is providing insurance cover. In the recently published AFM dashboard for treating customers fairly, a.s.r. scored a 3.4 out of 5 for customer satisfaction. The new flexible occupational disability policy for self-employed persons is an example of our ability to offer innovative products that meet changing customer needs.

At the end of the reporting period, a.s.r. pensions organized a special campaign that offered a group of over-60s the opportunity to ride a stage of the Tour de France. This initiative went by the name ‘The Other Tour’. By organizing The Other Tour, a.s.r. wanted to show the world that you do not have to be young to be fit and able-bodied.

Profit from ordinary activities was up. Our risk management prompted us to scale back our equity exposure because of higher share prices. This was necessary for us to remain within the set risk parameters. The result was that our investment income rose. It was mainly thanks to these two developments that net profit amounted to € 397 million for the first half of 2015 against € 171 million for the same period last year.
The improvements were also due to our continuous efforts to work more efficiently and outsourcing specific services, mainly in the Pensions and Individual Life businesses. a.s.r. has teamed up with Infosys, a specialist in handling and improving knowledge-intensive processes. Infosys, which has worked with our Individual Life business for some time, has taken over the back office of the a.s.r.-label pension products since the beginning of this year.
a.s.r. acquired Van Kampen Groep (VKG), located in Hoorn, as of 1 January 2015. VKG keeps records for more than 3,000 financial advisers in the Netherlands and works in partnership with over 150 financial institutions. Through this acquisition, a.s.r. is investing in a business that plays a key role in a changing distribution landscape.

In the Non-Life segment, the combined ratio is sustainably robust. At 92.5%, this ratio again remained well below 100% in the reporting period. We are seeing increasing interest in our *Vernieuwd Voordeelpakket* package of policies compared to last year, partly because we added home owner insurance for Airbnb, solar panel insurance and coverage for charging stations for electrical and hybrid cars.

Entirely in line with our strategy, we bolstered our position in the pensions and funeral insurance business (Life segment) by acquiring De Eendragt and Axent. These two acquisitions were completed in July and August 2015 respectively. The two companies are complementary as far as their risk profile is concerned; together, they will add € 3.5 billion to capital invested.

The pensions market remains challenging because of the persistently low level of interest rates. a.s.r. has made a deliberate choice to focus on sound and sustainable pricing. In the pensions market, a.s.r. offers defined contribution (DC) and defined benefit (DB) products, as well as an Institution for Occupational Retirement Provision (IORP). In addition, a.s.r. is preparing for the creation of a General Pension Fund (Dutch acronym: APF), including the expansion of our asset management with fiduciary asset management for third parties. More and more businesses are attracted to our *Werknemers Pensioen* (Employee Pension) product. The number of businesses that have taken out such a policy has increased from approximately 700 to 1,300 over the past six months. The customer base of the Brand New Day IORP, in which a.s.r. has teamed up with Brand New Day, rose to just over 1,400 employers (year-end 2014: 1,000 employers).

a.s.r. takes responsibility for helping holders of non-accruing unit-linked policies to make the right choices. To do so, we are making every effort to contact this group of customers. Although we have been in contact with the vast majority of these customers, some of them are proving difficult to reach. At 30 June, 88.3% of non-accruing policyholders had changed their policies or made a reasoned choice to leave their policies as they are. Of our mortgage-related unit-linked policyholders, 83% have been mobilized. Both these figures are higher than the targets set by the Netherlands Authority for the Financial Markets (AFM). a.s.r. will continue the drive to mobilize customers who have not responded to date.

Early in the year, a.s.r. vastgoed vermogensbeheer, the real estate investment management business, placed a fifth closing of the ASR Dutch Prime Retail Fund worth € 250 million with an external investor. As a result, the Fund's total externally placed assets rose to € 785 million (approximately 60% of its total assets of € 1.3 billion). In addition, the ASR Dutch Core Residential Fund started at the beginning of the year. It has now placed € 80 million (of its total assets of € 0.8 billion) with external investors.

The Executive Board has decided to put the real estate development business up for sale. This business line is now ready to be sold. As a result, this business was classified as 'held for sale' as at 30 June 2015. It will not be included in the key figures as of this date. We will continue to honour our current commitments.

The strong financial performance we are presenting today is the result of the hard work of our employees who are committed to treating our customers fairly every day. Dedication, professionalism and flexibility are essential features of our people and a.s.r. invests in the development of everyone who represents the organization in whatever capacity.

In the second half of this year, we will learn more about the future of a.s.r. Our shareholder NLFI is scheduled to present its advisory opinion to the Dutch Minister of Finance. The privatization process will start after the minister has decided on this matter and informed the Parliament. Today's financial results demonstrate that a.s.r. is well on its way towards an independent future.'

a.s.r. key figures (in millions of euros)	H1 2015	H1 2014
Net result	397	171
Operating result (before tax)	280	221
Return on equity	23.7%	10.2%
Operating return on equity	15.8%	13.0%
Gross premiums written	2,476	2,250
Operating expenses	-273	-264
- of which associated with ordinary activities	*-261*	*-244*
Provision for restructuring expenses	-8	-14
Combined ratio, Non-life segment	92.5%	93.7%
New business, Life segment (APE)	18	28
	30 June 2015	**31 December 2014**
Total equity	4,053	3,709
Total equity attributable to shareholders	3,372	3,028
DNB Solvency I ratio	297%	285%
Solvency II ratio (standard model)	Approx. 185%	Approx. 175%
Number of internal FTEs	3,532	3,513

Notes

- Operating result represents profit 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 as a result of accounting changes, consulting fees for acquisitions, restructuring expenses, start-up costs, privatization expenses and shareholder-related expenses
- Operating expenses associated with ordinary activities are operating expenses included in operating result.
- a.s.r. has implemented a change in accounting policies. Investment property and property own use have been carried at fair value with effect from 1 January 2015. Policy acquisition costs are recognized directly through profit or loss. To allow comparison with the financial results for 2014, the figures for 2014 have been restated to reflect the change in accounting policies. For more detailed notes, see the 2015 interim report .

Publication of the financial results on 27 August 2015 at 7 a.m. CET. Conference call for financial market participants (in English) on 27 August at 2 p.m. CET. For more information, please visit www.asrnl.com

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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 P&C, life and income protection insurance, group and individual pensions, health insurance, travel and leisure insurance and funeral insurance. Besides insurance products, the a.s.r. product range includes savings and investment products and bank savings products. a.s.r. also invests in real estate operations and development.

Financial results for H1 2015

- Profit for the period rose from € 171 million in H1 2014 to € 397 million thanks to an increase in operating result[1], higher investment income because of realized capital gains and net incidental income items.
- This is the first accounting period in which disclosures are included on operating result. This result was up from € 221 million in the first half of 2014 to € 280 million in the reporting period:
  - Insurance business:
    - Non-life segment: combined ratio at 92.5% thanks, in particular, to a strong operational performance.
    - Life segment: back to a stable profit level after a number of provisions had an adverse effect on profit last year.
  - Non-insurance business[2]: decline due to higher periodic pension costs due in particular to the low level of interest rates.
- Persistently strong capital position despite volatile interest rate:
  - DNB Solvency I ratio continues to be robust at 297% (year-end 2014: 285%).
  - Solvency II ratio[3] (standard model) currently estimated at approximately 185% (estimate at year-end 2014: approximately 175%).
- Operating expenses at € 273 million (H1 2014: € 264 million). The increase was caused by higher consulting fees associated with the strategic acquisitions and the acquisition of the operations of Van Kampen Groep.
- Increase in gross premiums written to € 2,476 million (up 10%), attributable primarily to a large pension buy-out.

[1] Operating result represents profit 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 as a result of accounting changes, consulting fees for acquisitions, restructuring expenses, start-up costs, privatization expenses and shareholder-related expenses.

[2] The non-insurance business comprises the Banking & asset management, Distribution & services, Holding & other and Real estate development segments. The real estate development business has been classified as 'held for sale' and is not included in operating result.

[3] The Solvency II figures are based on the standard model, which has not yet been enshrined in law.

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Consolidated statement of income of ASR Nederland N.V. (€ million)	H1 2015	H1 2014 (restated)
Gross premiums written	**2,476**	**2,250**
- Non-life	1,375	1,415
- Life	1,171	916
- Eliminations	-70	-81
Operating expenses	**-273**	**-264**
- Non-life	-101	-105
- Life	-95	-90
- Bank & asset management	-22	-20
- Distribution & services	-17	-10
- Holding & other	-50	-52
- Eliminations	12	13
Operating expenses associated with ordinary activities	-261	-244
Provision for restructuring expenses	-8	-14
Operating result	**280**	**221**
- Non-life	114	101
- Life	222	165
- Bank & asset management	5	7
- Distribution & services	4	3
- Holding & other	-61	-56
- Eliminations	-4	1
Incidental items (not included in operating result)	**295**	**5**
- Investment income	281	108
- Incidentals	14	-103
Profit/(loss) before tax	**575**	**226**
- Non-life	155	120
- Life	442	222
- Bank & asset management	5	6
- Distribution & services	4	3
- Holding & other	-27	-125
- Eliminations	-4	-
Income tax expense	-83	-48
Profit/(loss) for the period from continuing operations	492	178
Profit/(loss) for the period from discontinued operations	-93	-8
Non-controlling interest	-2	1
Profit/(loss) for the period attributable to holders of equity instruments	**397**	**171**

Key Performance Indicators	H1 2015	H1 2014 (restated)
New business, Life (APE)	18	28
New business, Non-life	142	137
Combined ratio, Non-life	92.5%	93.7%
Cost-premium ratio, insurance business	9.3%	8.7%
Return on equity	23.7%	10.2%
Operating return on equity	15.8%	13.0%

Total equity and solvency	30 June 2015	31 December 2014 (restated)
Total assets	49,815	51,654
Total equity attributable to shareholders	3,372	3,028
Total equity	4,053	3,709
DNB solvency I ratio	297%	285%
DNB solvency I ratio excluding UFR	224%	204%
Solvency II ratio (standard format)	Approx. 185%	Approx. 175%
Number of internal FTEs	3,532	3,513

Profit for the period rose from € 171 million in the first half of 2014 to € 397 million thanks to an increase in operating result from both the Non-life and Life segments, higher investment income because of realized capital gains and net incidental income items. Profit for the period includes an incidental tax gain and a loss on the real estate development business, which has been classified as 'held for sale' since 30 June 2015.

Profit for the period is affected by incidental items and volatility in the financial markets. With a view to providing a better understanding of the financial performance of the business, a.s.r. has decided to include disclosures on operating result, in which profit or loss for the period before tax is adjusted for these incidental items.

Operating result was up € 59 million, rising from € 221 million to € 280 million. Profit from the insurance business showed a € 70 million increase to € 336 million thanks to a strong financial performance of both the Non-life and Life segments. The Non-life segment saw its operating result rise by € 13 million, from € 101 million to € 114 million. The share of the occupational disability market increased, as shown in the most recent data from the Dutch Central Bank (DNB) at year-end 2014, and the position as market leader was further bolstered thanks to focus on customer service, expertise and professionalism. In the Non-life segment, P&C is performing well; its combined ratio was 95.1% in the first half of 2015 and premium income was up slightly. Profit from the health insurance business rose as its premium income saw a limited decline.
In the Life segment, operating result increased by € 57 million, rising from € 165 million to € 222 million. Last year, operating result in this segment was adversely affected by a number of provisions. Disregarding these, operating result was stable.
In the non-insurance business, operating result decreased by € 11 million due mainly to higher periodic pension costs as a result of the low level of interest rates.

The increase in investment income included in incidental items was mainly caused by higher realized capital gains on equities. a.s.r. scaled back its equity exposure in the reporting period in order to remain within its set risk parameters and comply with its risk policy. The incidental items concern the settlement of intercompany account balances in the Life segment, a.s.r.'s own pension scheme (IAS 19) and consulting fees for acquisitions, restructuring expenses, start-up costs, privatization expenses and shareholder-related expenses.

Gross premiums written increased by € 226 million (up 10%) on the first half of 2014, rising to € 2,476 million. This rise was achieved in the Life segment thanks to the premium income from a pension buy-out (single premium: € 370 million). In the Non-life segment, gross premiums written were down 3%, falling from € 1,415 million to € 1,375 million. The Non-life segment (P&C, Ditzo and Europeesche Verzekeringen) saw 1% growth. The drop in gross premiums written was mainly attributable to the occupational disability business, where a one-off single premium contract of € 21 million had a positive effect on premium income in the first quarter of 2014. The continued decline in premium income from the occupational disability business is the result of measures designed to improve returns on the one hand and market contraction on the other, especially where individual occupational disability policies are concerned.

New business, Life (APE) was down from € 28 million in the first half of 2014 to € 18 million in the reporting period. The decline was due to lower demand for individual life insurance products and a.s.r.'s pricing strategy. In the pensions business, new business dropped from the same period last year due partly to the fact that renewals of existing pension contracts are gaining momentum later this year than they did in 2014.

We have bolstered our position in the pensions and funeral insurance business (Life segment) by acquiring De Eendragt and Axent. These two acquisitions are complementary as far as their risk profile is concerned. The regulators approved the acquisitions of De Eendragt and Axent in July and August 2015 respectively. Both De Eendragt and Axent will start to contribute to a.s.r.'s financial results from the second half of 2015 onwards. Together, the two acquisitions will add € 3.5 billion to a.s.r.'s assets under management.

Operating expenses amounted to € 273 million (H1 2014: € 264 million). The increase was due mainly to a.s.r.'s acquisition of Van Kampen Groep and costs incurred for recent acquisitions. In addition, costs were incurred for converting insurance portfolios and outsourcing back-office processes with a view to eventually reducing operating expenses further and making these expenses more flexible. In the insurance business, the cost-premium ratio was up from the same period last year, rising from 8.7% to 9.3% due to the drop in premium income on an APE basis.

The **headcount** rose by only 1% in the reporting period, from 3,513 FTEs to 3,532 FTEs. This increase was due entirely to the acquisition of Van Kampen Groep (adding 138 FTEs). Disregarding this effect, the headcount fell in the first half of the year. This was the result of previous restructuring operations designed to reduce costs on a sustainable basis and to increase cost flexibility. In line with this, about 90 people in the a.s.r. pensions business transferred to Infosys in the reporting period as part of an outsourcing drive.

Return on equity (ROE) stood at 23.7% on an annualized basis in the first half of the year (H1 2014: 10.2%). The increase was primarily attributable to the relatively high level of indirect investment income. Based on operating result, operating ROE[4] was up from 13.0% to 15.8%.

The **DNB Solvency I ratio** continued to be robust at 297% (year-end 2014: 285%). The UFR effect decreased from 81 %-points at year-end 2014 to 73 %-points at 30 June 2015. Excluding the UFR, a.s.r.'s solvency ratio stands at 224% (year-end 2014: 204%). The solvency ratio was positively affected by an increase in profit, a rise in the value of equities and a higher valuation of mortgages because of lower mortgage rates in the market. This was partially offset by the € 139 million dividend distribution on the profit for 2014 and the rise in interest rates.

The Solvency II ratio is based on a.s.r.'s current interpretation of the standard model. The rules have not yet been finalized, so the calculation method might change in the future. On the basis of current views, the Solvency II ratio at 30 June 2015 was approximately 185% (year-end 2014: approximately 175%). The Solvency II ratio increased from year-end 2014 thanks, in part, to an increase in available capital.

[4] Operating return on equity refers to operating result less the cost of hybrid capital as a percentage of equity attributable to shareholders excluding unrealized revaluations of portfolio investments.

Insurance business

Non-life segment

- Profit for the period up 33% from € 92 million to € 122 million thanks to higher operating result and a rise in investment income.
- Operating result up from € 101 million to € 114 million mainly thanks to measures taken to reduce the amount of claims.
- Gross premiums written down 3% due, in particular, to a one-off occupational disability contract in 2014. 1% growth in P&C business (a.s.r., Ditzo and Europeesche Verzekeringen).
- Operating expenses, including provision for restructuring expenses, down 6% thanks to further improvements to operational efficiency.

Key figures, Non-life segment (€ million)	H1 2015	H1 2014
Gross premiums written	1,375	1,415
Operating expenses	-101	-105
Provision for restructuring expenses	-5	-8
Operating result	**114**	**101**
Incidental items (not included in operating result)	**41**	**19**
- Investment income	46	27
- Incidentals	-5	-8
Profit/(loss) before tax	155	120
Profit/(loss) for the period attributable to holders of equity instruments	**122**	**92**
New business, Non-life	142	137

Combined ratio, Non-life segment	H1 2015	H1 2014
Combined ratio, Non-life segment	**92.5%**	**93.7%**
- Commission ratio	15.0%	15.0%
- Cost ratio	8.7%	8.9%
- Claims ratio	68.8%	69.8%
Combined ratio		
- P&C (a.s.r., Ditzo and Europeesche Verzekeringen)	95.1%	90.0%
- Occupational disability insurance	88.7%	94.0%
- Health insurance	92.7%	98.8%

The increase in **profit for the period** was mainly attributable to the rise in operating result and higher investment income (due mainly to realized capital gains).

Operating result rose from € 101 million to € 114 million. The combined ratio improved from 93.7% to 92.5% in the reporting period, driven mainly by higher underwriting profits in the occupational disability and health insurance businesses. The combined ratio in the occupational disability business improved from 94.0% to 88.7%. This was due to the measures designed to control claims, as a result of which the number of new individual occupational disability claims has been structurally reduced. In the health insurance business, operating result increased because of the release of prior-year technical provisions and a recalculation of claims by Zorginstituut Nederland, the Dutch National Health Care Institute. The financial performance of the P&C business was very satisfactory, with a combined ratio of 95.1% and a slight increase in premium income.

Gross premiums written in the Non-life segment were down 3%, falling from € 1,415 million to € 1,375 million. The P&C business saw 1% growth. New business in the Non-life segment was up 4%, mainly because of further growth in the *Vernieuwde Voordeelpakket* package (up 55% from H1 2014). In the occupational disability business, gross premiums written fell due to a high single premium in 2014 (€ 21 million) and contraction in the market. This business recently introduced a flexible occupational disability policy for self-employed persons, which allows business owners to change their coverage at any given time. At Ditzo, the number of insured persons increased sharply during the busy and successful switching season at the end of 2014.

Including the provision for restructuring expenses, **operating expenses** decreased from € 113 million to € 106 million, mostly due to lower costs in the occupational disability and P&C businesses thanks to efficiency improvements and fewer external hires.

Life segment

- Profit for the period up € 179 million to € 351 million thanks to improvements in operating result, realized capital gains and incidental items.
- Operating result resistant at € 222 million. Operating result for 2014 negatively affected by some special underwriting expenses.
- Gross premiums written up 28% to € 1,171 million thanks to a pension buy-out.
- Operating expenses, including provision for restructuring expenses, up 4% as a result of conversion and outsourcing expenses.

Key figures, Life (€ million)	H1 2015	H1 2014
Regular premiums written	692	785
Single premiums	479	131
Gross insurance premiums	1,171	916
Operating expenses	-95	-90
Provision for restructuring expenses	-3	-5
Operating result	**222**	**165**
Incidental items (not included in operating result)	**220**	**57**
- Investment income	198	62
- Incidentals	22	-5
Profit/(loss) before tax	442	222
Profit/(loss) for the period attributable to holders of equity instruments	**351**	**172**
Cost-premium ratio (APE)	10.1%	8.6%
New business	18	28

The Life segment saw its **profit for the period** rise by € 179 million from € 172 million to € 351 million. This doubling of profit was mainly attributable to an increase in operating result and higher indirect investment income.

Operating result for the first half of 2015 stood at € 222 million, up from € 165 million for the same period last year. In 2014, operating result comprised a number of one-off underwriting expenses, including an additional provision for family income protection policies. Furthermore an incidental provision for pensions from H1 2014 was released in H1 2015. Disregarding these effects, profit developments in the Life segment were stable, although the costs result is under pressure. This is due not only to the contracting portfolio, but also to conversions of existing pension portfolios into new propositions, such as *Werknemers Pensioen* (Employee Pension), which are more attractively priced for customers.

Incidental items mainly concern indirect investment income, a release by virtue of settlement of certain intercompany account balances and a provision for restructuring expenses.

Compared with the same period last year, **gross premiums written** were up 28%, rising to € 1,171 million in the reporting period. This increase was driven in particular by higher income from single premiums as a result of a pension buy-out at year-end 2014 (single premium: € 370 million). Regular premiums written were down due, in part, to government pension accrual measures; in line with the contracting market for individual life insurance policies, premium income in the individual life business continued to fall. At € 57 million, premium income from the funeral insurance business was virtually stable (down 2%). The online channel is still gaining ground. Of total new business in the funeral insurance business, 42% of policies are now taken out online (year-end 2014: 39%) thanks to previously initiated efforts to leverage the Internet to generate selling opportunities.

New business dropped from the same period last year due, in particular, to the fact that renewals of existing pension contracts (retention) are gaining momentum later this year than they did in 2014.

Operating expenses, including the provision for restructuring expenses, rose from € 95 million to € 98 million owing to an increase in conversion costs and outsourcing expenses. The priorities of the a.s.r. strategy include cost flexibility and structural cost reductions, prompted in part by persistent pressure on the market. This will ultimately allow costs to move up and down with the size of the portfolio. To illustrate, the Life segment has started to prepare for the migration of various product/system combinations to a single new platform (service books). The pensions business has taken the first step towards outsourcing its business processes; within this context, about 90 employees transferred from a.s.r. to Infosys on 1 April 2015.

Non-insurance business

Banking & asset management segment

Key figures, Banking & asset management segment (€ million)	H1 2015	H1 2014
Total income	62	59
Operating expenses	-22	-20
Provision for restructuring expenses	-	-1
Operating expenses	5	7
Incidental items (not included in operating expenses)	**-**	**-1**
- Investment income	-	-
- Incidentals	-	-1
Profit/(loss) before tax	5	6
Taxes	-1	-2
Profit/(loss) for the period attributable to holders of equity instruments	**4**	**4**

The Banking & asset management segment comprises ASR Bank N.V., ASR Vastgoed Vermogensbeheer B.V., ASR Nederland Beleggingsbeheer N.V. and ASR Hypotheken B.V.

Profit before tax of the Banking & asset management amounted to € 5 million in the reporting period.

a.s.r. bank posted growth in savings deposits despite the low rate of interest on savings. The portfolio rose by 8% in the first six months of the year, reaching € 1,119 million (2014: € 1,032 million) mostly thanks to deposits into the *Lijfrente Spaarrekening* annuity savings account. Origination of *WelThuis Hypotheek* mortgages stood at € 420 million in the reporting period (H1 2014: € 553 million). The decline was primarily attributable to a pricing adjustment and increased competition from other providers, including from pension funds. Profit for the period was virtually stable compared with the same period in 2014.

Early in the year, **a.s.r. vastgoed vermogensbeheer**, the real estate investment management business, placed a fifth closing of the ASR Dutch Prime Retail Fund worth € 250 million with an external investor. As a result, the Fund's total externally placed assets rose to € 785 million (approximately 60% of its total assets of € 1.3 billion). In addition, the ASR Dutch Core Residential Fund started at the beginning of the year. It has now placed € 80 million (of its total assets of € 0.8 billion) with external investors. With these placements, a.s.r. vastgoed vermogensbeheer continued to scale back its exposure over the past six months.
The vacancy rate of the real estate portfolio, measured in gross rental income as a percentage of assets under management, stood at 6.1% (year-end 2014: 5.8%). The increase was recorded for office space in particular. That said, the vacancy rate for residential properties was down.

In addition to the investment portfolios that a.s.r. manages for the insurance entities (assets under management: € 33.5 billion), **ASR Nederland Beleggingsbeheer N.V. (ANB)** is responsible for managing the investment funds on behalf of a.s.r. policyholders as well as a number of separate accounts for a.s.r. pension customers. Assets under ANB's management increased by € 0.6 billion in the first half of 2015.
ANB's assets under management in investment funds were up 6%, rising to € 7.0 billion (year-end 2014: € 6.6 billion). Assets under management in separate accounts amounted to € 2.8 billion (year-end 2014: € 2.6 billion).

ASR Hypotheken B.V. manages the a.s.r. mortgage portfolio, which is worth € 5.8 billion. The mortgage portfolio grew by about 10% against 30 June 2014.

Distribution & services segment

Key figures, Distribution & services segment (€ million)	H1 2015	H1 2014
Total income	21	13
Operating expenses	-17	-10
Provision for restructuring expenses	-	-
Operating result	**4**	**3**
Profit/(loss) before tax	4	3
Taxes	-1	-1
Profit/(loss) for the period attributable to holders of equity instruments	**3**	**2**

The Distribution & services segment comprises the operations involving the distribution of insurance products, including the activities of financial services provider PoliService B.V., Van Kampen Groep Holding B.V. (from 1 January 2015) and B.V. Nederlandse Hulpverleningsorganisatie SOS International.

Profit before tax rose from € 3 million to € 4 million thanks to an increase in operating result (€ 1 million). The acquisition of Van Kampen Groep early this year was the prime reason for the increase in both operating expenses and total income. Total income is comprised mostly of service fees.

Holding & other segment

Key figures, Holding & other segment (€ million)	H1 2015	H1 2014
Operating expenses	-50	-52
- of which associated with ordinary activities	-39	-31
Provision for restructuring expenses	-	-
Operating result	**-61**	**-56**
Incidental items (not included in operating result)	**34**	**-70**
- Investment income	37	19
- Incidentals	-3	-89
Profit/(loss) before tax	-27	-125
Taxes	42	33
Profit/(loss) for the period attributable to holders of equity instruments	**15**	**-92**

This segment comprises the holding activities of ASR Nederland N.V. and the activities of ASR Deelnemingen N.V. Certain holding-related expenses are recognized in this segment.

The **profit before tax** improved from € -125 million to € -27 million. This improvement was attributable in particular to incidentals (€ 86 million) and a contribution by realized capital gains (€ 18 million). However, operating result decreased by € 5 million.

The lower **operating result** was due, in part, to a rise in pension costs because of the low level of interest rates, causing operating expenses from ordinary activities to climb by € 8 million to € 39 million. In addition to regular operating expenses, the operating result of the Holding & other segment more specifically includes pension costs (IAS19) and investment income.

Incidental items decreased by € 86 million to € -3 million due to the formation of a provision of € 33 million in the first six months of 2014. In addition, incidental expenses associated with a.s.r.'s own pension scheme were lower (€ 52 million) and incidental items were recognized for recent acquisitions.

Profit for the period also includes an incidental tax gain of € 36 million, which mainly involves the settlement of input tax.

Real estate development segment (´held for sale´)

This segment comprises all real estate development activities undertaken by ASR Vastgoed Ontwikkeling N.V. Given that a.s.r. no longer qualifies real estate development as part of its core business, the Executive Board has decided to look for a strategic buyer and classify the real estate development business as 'held for sale'. With this in mind, the operations are recognized as discontinued operations in the income statement. As a consequence, the financial results of the real estate development business are disclosed in condensed form in the income statement. Its financial performance is no longer included in the profit before tax from continuing operations.

Key figures, Real estate development segment (€ million)	H1 2015	H1 2014
Profit/(loss) for the period from discontinued operations	-93	-8
Profit/(loss) attributable to non-controlling interests	-2	1
Profit/(loss) for the period attributable to holders of equity instruments	**-95**	**-7**
	H1 2015	YE 2014
Total assets	94	142

The derisking drive has been stepped up, which has resulted in a further fall in total assets. After the 29% fall in assets in 2014 to € 142 million, the asset position declined further to € 94 million in the reporting period[5].

The **profit for the period** deteriorated from € -7 million to € -95 million. As a result of the classification of the real estate development business as 'held for sale', a.s.r. applied IFRS in reducing the measurement of the assets by € 39 million to their net realizable value. In addition, the real estate development business formed provisions for specific projects.

[5] Further to the change in classification of the real estate development business, this concerns assets 'held for sale'.

Capital management

- DNB Solvency I ratio continues to be robust at 297% (year-end 2014: 285%) thanks to increase in total equity.
- Decrease in financial leverage target to 22.0% (year-end 2014: 23.9%).
- Double leverage at 118% (year-end 2014: 121%).

Equity

Breakdown of total equity	30 June 2015	31 December 2014
Share capital	100	100
Additional paid-in capital	962	962
Unrealized gains and losses	702	737
Actuarial gains and losses (IAS19)	-517	-634
Other reserves	1,728	1,440
Retained earnings	397	423
Total equity attributable to shareholders	**3,372**	**3,028**
Other equity instruments	701	701
Equity attributable to holders of equity instruments	**4,073**	**3,729**
Non-controlling interest	-20	-20
Total equity	**4,053**	**3,709**

Statement of changes in total equity	H1 2015	2014
Reported total equity	**3,709**	**3,015**
Changes in accounting policies	0	642
Beginning of reporting period – total equity	**3,709**	**3,657**
Profit/(loss) for the period	397	422
Unrealized revaluations	-35	156
Actuarial gains and losses (IAS19)	117	-527
Other equity instruments (Tier 1 capital)	-	185
Gains and losses on non-controlling interests	2	-2
Other changes (e.g. dividend, coupon hybrids)	-137	-183
End of reporting period – total equity	**4,053**	**3,709**

Total equity rose from € 3,709 million to € 4,053 million. The increase was driven mainly by the addition of realized profit for the period (€ 397 million) and the increase in unrealized actuarial gains and losses (€ 117 million).
The unrealized revaluations decreased by € 35 million on balance. The rise in interest rates led to a lower revaluation of bonds, which was mitigated by a higher revaluation of equities as a result of higher share prices.
Unrealized gains and losses (IAS19) decreased by € 117 million in the reporting period, mainly due to the rise in the discount rate (in line with interest rate developments) for a.s.r.'s own pension contract (IAS 19) from 2.0% at year-end 2014 to 2.5% at 30 June 2015.
The committed € 139 million dividend for 2014 was distributed in the second quarter of 2015.

Solvency

DNB solvency	30 June 2015	31 December 2014
Total equity	4,053	3,709
Adjustment to intangible assets	-135	-105
Liability adequacy test margin[6]	803	899
Elimination of a.s.r. pension scheme	386	481
DNB solvency capital	5,107	4,984
Solvency capital requirement	**1,720**	**1,749**
DNB Solvency I ratio	297%	285%

Developments in the DNB Solvency I ratio show that a.s.r.'s capital position has continued to improve over the first half of 2015. This improvement was achieved thanks to an increase in total equity because of the sharp increase in profit. On balance, the DNB solvency capital rose by € 123 million; the DNB Solvency I ratio was up from 285% to 297%.

The Solvency II ratio is based on a.s.r.'s current interpretation of the standard model. The rules have not yet been finalized, so the calculation method might change in the future. On the basis of current views, the Solvency II ratio at 30 June 2015 was approximately 185% (year-end 2014: approximately 175%). The Solvency II ratio increased from year-end 2014 thanks, in particular, to an increase in available capital.

Financial leverage

Financial leverage	30 June 2015	31 December 2014
Basis for financial leverage	3,372	3,028
Financial liabilities	951	951
- of which hybrids	701	701
- of which senior debt	250	250
Financial leverage	22.0%	23.9%

Financial leverage is defined as the funding of the holding company as a percentage of total equity exclusive of non-controlling interests. a.s.r.'s financial leverage stood at 22.0% at 30 June 2015. This marks a minor 1.9%-point improvement in financial leverage compared with year-end 2014 thanks to an increase in equity.

Double leverage

Double leverage	30 June 2015	31 December 2014
Total value of associates	4,786	4,512
Equity attributable to shareholders	3,372	3,028
Hybrids	701	701
Equity attributable to holders of equity instruments	4,073	3,729
Double leverage (%)	118%	121%

Double leverage is determined based on equity attributable to holders of equity instruments. Double leverage decreased from 121% to 118% in the reporting period. The improvement was caused in particular by an increase in total equity.

6 The liability adequacy test margin is the difference between the fair value (best estimate) and the carrying amount of the technical provisions.

Appendices

1 Financial Statements
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

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

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Financial Statements

1.1 Consolidated Balance Sheet (before profit appropriation)

Consolidated Balance Sheet (€ million)	30 June 2014	31 December 2014 restated
Intangible assets	167	139
Property, plant and equipment	163	140
Investment property	2,634	2,833
Associates and joint ventures	18	42
Investments	22,628	22,963
Investments on behalf of policyholders	8,540	8,333
Loans and receivables	9,475	9,231
Derivatives	2,073	3,435
Deferred tax assets	454	247
Reinsurance contracts	421	419
Other assets	779	737
Cash and cash equivalents	2,369	3,135
Assets held for sale	94	-
Total assets	**49,815**	**51,654**
Share capital	100	100
Share premium reserve	962	962
Unrealized gains and losses	702	737
Actuarial gains and losses	-517	-634
Other reserves	1,728	1,440
Profit for the period	397	423
Total equity attributable to shareholders	**3,372**	**3,028**
Other equity instruments	701	701
Equity attributable to holders of equity instruments	**4,073**	**3,729**
Non-controlling interests	-20	-20
Total equity	**4,053**	**3,709**
Liabilities arising from insurance contracts	27,538	28,226
Liabilities arising from insurance contracts on behalf of policyholders	10,148	9,779
Employee benefits	2,987	3,123
Provisions	31	38
Borrowings	47	117
Derivatives	325	387
Deferred tax liabilities	-	-
Due to customers	1,758	1,949
Due to banks	1,934	3,277
Other liabilities	807	1,049
Liabilities relating to assets held for sale	187	-
Total liabilities	**45,762**	**47,945**
Total liabilities and equity	**49,815**	**51,654**

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1.2 Consolidated Income Statement

Consolidated Income Statement (€ million)	H1 2015	H1 2014 (restated)
Continuing operations		
Gross premiums written	2,476	2,250
Change in provision for unearned premiums	-194	-198
Gross insurance premiums	**2,282**	**2,052**
Reinsurance premiums	-70	-69
Net insurance premiums	**2,212**	**1,983**
Investment income	681	722
Realized gains and losses	385	238
Fair value gains and losses	828	69
Result on investments on behalf of policyholders	559	432
Fee and commission income	16	17
Other income	48	25
Share of profit/(loss) of associates and joint ventures	-	4
Total income	**2,517**	**1,507**
Insurance claims and benefits	-3,574	-2,599
Insurance claims and benefits recovered from reinsurers	46	55
Net insurance claims and benefits	**-3,528**	**-2,544**
Operating expenses	-273	-264
Provision restructuring expenses	-8	-14
Acquisition costs	-189	-197
Impairments	1	15
Interest expense	-132	-197
Other expenses	-25	-63
Total expenses	**-626**	**-720**
Profit before tax	**575**	**226**
Income tax (expense) / gain	-83	-48
Profit from continuing operations	**492**	**178**
Discontinued operations		
Profit (loss) from discontinued operations net of tax	-93	-8
Profit for the period	**399**	**170**
Attributable to:		
- Attributable to non-controlling interests	-2	-1
- Shareholders	-397	170
- Holders of other equity instruments	-	1
- Tax on interest of other equity instruments	-	-
Profit attributable to holders of equity instruments	**397**	**171**

1.3 Consolidated Statement of Movements in Equity

(€ million)	Share capital	Share premium reserve	Unrealized gains and losses	Actuarial gains and losses pension obligation	Other reserves	Profit for the period	Equity attributable to shareholders	Other equity instruments	Non-controlling interests	Total Equity
At 1 January 2015	100	962	737	-634	800	381	**2,346**	701	-20	**3,027**
Change in accounting policies	-	-	-	-	640	42	**682**	-	-	**682**
Restated opening balance 2015	**100**	**962**	**737**	**-634**	**1,440**	**423**	**3,028**	**701**	**-20**	**3,709**
Profit for the period	-	-	-	-	-	397	**397**	-	2	**399**
Total other comprehensive income	-	-	-35	117	-	-	**82**	-	-	**82**
Total comprehensive income	**-**	**-**	**-35**	**117**	**-**	**397**	**479**	**-**	**2**	**481**
Dividend paid	-	-	-	-	-	-139	**-139**	-	-2	**-141**
Profit carried over from previous financial year	-	-	-	-	284	-284	**-**	-	-	**-**
Other	-	-	-	-	4	-	**4**	-	-	**4**
At 30 June 2015	**100**	**962**	**702**	**-517**	**1,728**	**397**	**3,372**	**701**	**-20**	**4,053**
At 1 January 2014	100	962	581	-107	701	281	**2,518**	515	-18	**3,015**
Change in accounting policies	-	-	-	-	642	-	**642**	-	-	**642**
Restated opening balance 2014	**100**	**962**	**581**	**-107**	**1,343**	**281**	**3,160**	**515**	**-18**	**3,657**
Profit for the year	-	-	-	-	-	171	**171**	-	-1	**170**
Total other comprehensive income	-	-	87	-462	-	-	**-375**	-	-	**-375**
Total comprehensive income	**-**	**-**	**87**	**-462**	**-**	**171**	**-204**	**-**	**-1**	**-205**
Dividend paid	-	-	-	-	-	-99	**-99**	-	-	**-99**
Profit carried over from previous financial year	-	-	-	-	182	-182	**-**	-	-	**-**
Discretionary interest on other equity instruments	-	-	-	-	-1	-	**-1**	-	-	**-1**
Other	-	-	-	-	-	-	**-**	-	-	**-**
At 31 December 2014	**100**	**962**	**668**	**-569**	**1,524**	**171**	**2,856**	**515**	**-19**	**3,352**

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1.4 Segmented Balance Sheet

	Insurance		Non - insurance					
As at 30 June 2015 (€ million)	**Non-life**	**Life**	**Bank and asset management**	**Distribution and services**	**Holding and other**	**Real estate development (discontinued operations)**	**Eliminations**	**Total**
Intangible assets	1	127	-	5	34	-	-	167
Property, plant and equipment	1	151	-	2	9	-	-	163
Investment property	343	2,291	-	-	-	-	-	2,634
Associates and joint ventures	-	3	-	-	15	-	-	18
Investments	4,716	17,538	326	-	2,569	-	-2,521	22,628
Investments on behalf of policyholders	-	8,540	-	-	-	-	-	8,540
Loans and receivables	327	8,252	854	10	78	-	-46	9,475
Derivatives	6	2,067	-	-	-	-	-	2,073
Deferred tax assets	-	-	-	-	454	-	-	454
Reinsurance contracts	421	-	-	-	-	-	-	421
Other assets	174	650	-46	2	17	-	-18	779
Cash and cash equivalents	191	1,982	82	32	82	-	-	2,369
Assets held for sale	-	-	-	-	-	94	-	94
Total assets	**6,180**	**41,601**	**1,216**	**51**	**3,258**	**94**	**-2,585**	**49,815**
Equity attributable to holders of equity	1,261	3,476	43	18	-648	-73	-4	4,073
Non-controlling interests	-	9	-	-	-	-20	-9	-20
Total equity	**1,261**	**3,485**	**43**	**18**	**-648**	**-93**	**-13**	**4,053**
Subordinated debt	15	-	-	-	-	-	-15	-
Liabilities arising from insurance contracts	4,676	24,995	-	-	-	-	-2,133	27,538
Liabilities arising from insurance contracts on of behalf of policyholders	-	10,148	-	-	-	-	-	10,148
Employee benefits	-	-	-	-	2,987	-	-	2,987
Provisions	-	20	1	2	8	-	-	31
Borrowings	2	45	-	1	26	-	-27	47
Derivatives	-	325	-	-	-	-	-	325
Deferred tax liabilities	76	-441	-	-	366	-	-1	-
Due to customers	103	901	1,117	12	-3	-	-372	1,758
Due to banks	-	1,684	-	-	250	-	-	1,934
Other liabilities	47	439	55	18	272	-	-24	807
Liabilities relating to assets held for sale	-	-	-	-	-	187	-	187
Total liabilities	**4,919**	**38,116**	**1,173**	**33**	**3,906**	**187**	**-2,572**	**45,762**
Total liabilities and equity	**6,180**	**41,601**	**1,216**	**51**	**3,258**	**94**	**-2,585**	**49,815**

1.4 Segmented Balance Sheet (continued)

	Insurance		Non - insurance					
As at 31 December 2014 restated (€ million)	Non-life	Life	Bank and asset management	Distribution and services	Holding and other	Real estate development (discontinued operations)	Eliminations	Total
Intangible assets	1	134	-	5	-1	-	-	139
Property, plant and equipment	1	130	-	1	8	-	-	140
Investment property	360	2,442	31	-	-	-	-	2,833
Associates and joint ventures	-	3	-	-	12	27	-	42
Investments	4,765	17,823	329	-	2,565	-	-2,519	22,963
Investments on behalf of policyholders	-	8,333	-	-	-	-	-	8,333
Loans and receivables	428	7,922	797	10	111	23	-60	9,231
Derivatives	3	3,432	-	-	-	-	-	3,435
Deferred tax assets	-92	214	-	-	127	-	-2	247
Reinsurance contracts	419	-	-	-	-	-	-	419
Other assets	40	571	-65	2	102	85	2	737
Cash and cash equivalents	183	2,827	47	9	62	7	-	3,135
Assets held for sale	-	-	-	-	-	-	-	-
Total assets	**6,108**	**43,831**	**1,139**	**27**	**2,986**	**142**	**-2,579**	**51,654**
Equity attributable to holders of equity	1,214	3,159	43	12	-719	22	-2	3,729
Non-controlling interests	-	9	-	-	-	-20	-9	-20
Total equity	**1,214**	**3,168**	**43**	**12**	**-719**	**2**	**-11**	**3,709**
Subordinated debt	15	30	-	-	-	-	-45	-
Liabilities arising from insurance contracts	4,571	25,806	-	-	-	-	-2,151	28,226
Liabilities arising from insurance contracts on of behalf of policyholders	-	9,779	-	-	-	-	-	9,779
Employee benefits	-	-	-	-	3,123	-	-	3,123
Provisions	-	18	1	2	12	5	-	38
Borrowings	7	92	-	-	30	18	-30	117
Derivatives	-	386	-	-	1	-	-	387
Deferred tax liabilities	-	-	-	-	-	-	-	-
Due to customers	50	1,202	1,028	3	-1	-	-333	1,949
Due to banks	-	3,027	-	-	250	-	-	3,277
Other liabilities	251	323	67	10	290	117	-9	1,049
Liabilities relating to assets held for sale	-	-	-	-	-	-	-	-
Total liabilities	**4,894**	**40,663**	**1,096**	**15**	**3,705**	**140**	**-2,568**	**47,945**
Total liabilities and equity	**6,108**	**43,831**	**1,139**	**27**	**2,986**	**142**	**-2,579**	**51,654**

1.5 Segmented Income Statement

1H 2015 (€ million)	Insurance: Non-life	Insurance: Life	Non-insurance: Banking and asset management	Non-insurance: Distribution and services	Non-insurance: Holding and other	Non-insurance: Real estate development (discontinued operations)	Eliminations	Total
Continuing operations								
Gross premiums written	1,375	1,171	-	-	-	-	-70	2,476
Change in provision for unearned premiums	-194	-	-	-	-	-	-	-194
Gross insurance premiums	**1,181**	**1,171**	**-**	**-**	**-**	**-**	**-70**	**2,282**
Reinsurance premiums	-66	-4	-	-	-	-	-	-70
Net insurance premiums	**1,115**	**1,167**	**-**	**-**	**-**	**-**	**-70**	**2,212**
Investment income	65	574	58	-	7	-	-23	681
Realized gains and losses	53	331	1	-	-	-	-	385
Fair value gains and losses	10	818	-	-	-	-	-	828
Result on investments on behalf of policyholders	-	559	-	-	-	-	-	559
Fee and commission income	13	-	3	-	-	-	-	16
Other income	1	26	-	21	-	-	-	48
Share of profit/(loss) of associates and joint ventures	-	-	-	-	-	-	-	-
Total income	**142**	**2,308**	**62**	**21**	**7**	**-**	**-23**	**2,517**
Insurance claims and benefits	-850	-2,836	-	-	-	-	112	-3,574
Insurance claims and benefits recovered from reinsurers	42	4	-	-	-	-	-	46
Net insurance claims and benefits	**-808**	**-2,832**	**-**	**-**	**-**	**-**	**112**	**-3,528**
Operating expenses	-101	-95	-22	-17	-50	-	12	-273
Provision restructuring expenses	-5	-3	-	-	-	-	-	-8
Acquisition costs	-180	-9	-	-	-	-	-	-189
Impairments	-4	2	-	-	3	-	-	1
Interest expense	-	-79	-11	-	14	-	-56	-132
Other expenses	-4	-17	-24	-	-1	-	21	-25
Total expenses	**-294**	**-201**	**-57**	**-17**	**-34**	**-**	**-23**	**-626**
Profit before tax	**155**	**442**	**5**	**4**	**-27**	**-**	**-4**	**575**
Income tax (expense) / gain	-33	-91	-1	-1	42	-	1	-83
Profit from continuing operations	**122**	**351**	**4**	**3**	**15**	**-**	**-3**	**492**
Discontinued operations								
Profit (loss) from discontinued operations net of tax	-	-	-	-	-	-93	-	-93
Profit for the period	**122**	**351**	**4**	**3**	**15**	**-93**	**-3**	**399**
Profit attributable to non-controlling interests	-	-	-	-	-	-2	-	-2
Profit attributable to holders of equity	**122**	**351**	**4**	**3**	**15**	**-95**	**-3**	**397**

1.5 Segmented Income Statement (continued)

	Insurance		Non-insurance					
1H 2014 restated (€ million)	**Non-life**	**Life**	**Banking and asset management**	**Distribution and services**	**Holding and other**	**Real estate development (discontinued operations)**	**Eliminations**	**Total**
Continuing operations								
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	53	-	6	-	-17	722
Realized gains and losses	46	192	-	-	-	-	-	238
Fair value gains and losses	-1	70	-	-	-	-	-	69
Result on investments on behalf of policyholders	-	432	-	-	-	-	-	432
Fee and commission income	13	-	4	-	-	-	-	17
Other income	2	13	2	13	1	-	-6	25
Share of profit/(loss) of associates and joint ventures	-	5	-	-	-1	-	-	4
Total income	**130**	**1,322**	**59**	**13**	**6**	**-**	**-23**	**1,507**
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	-90	-20	-10	-52	-	13	-264
Provision restructuring expenses	-8	-5	-1	-	-	-	-	-14
Acquisition costs	-186	-14	-	-	-	-	3	-197
Impairments	-	14		-	1	-	-	15
Interest expense	-1	-102	-10	-	-43	-	-41	-197
Other expenses	-7	-19	-22	-	-37	-	22	-63
Total expenses	**-307**	**-216**	**-53**	**-10**	**-131**	**-**	**-3**	**-720**
Profit before tax	**120**	**222**	**6**	**3**	**-125**	**-**	-	**226**
Income tax (expense) / gain	-28	-50	-2	-1	33	-	-	-48
Profit from continuing operations	**92**	**172**	**4**	**2**	**-92**	**-**	**-**	**178**
Discontinued operations								
Profit (loss) from discontinued operations net of tax	-	-	-	-	-	-8	-	-8
Profit for the period	**92**	**172**	**4**	**2**	**-92**	**-8**	**-**	**170**
Profit attributable to non-controlling interests	-	-	-	-	-	1	-	1
Profit attributable to holders of equity	**92**	**172**	**4**	**2**	**-92**	**-7**	**-**	**171**