Utrecht, the Netherlands, 21 February 2018, 07.00 CET

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

Strong results in 2017, outperforming targets

Operating result strongly increased

- Operating result increased 17.2% to € 729 million (2016: € 622 million[1]), with all business segments contributing to the increase. In Q4, at € 179 million, the operating result remained virtually unchanged compared with last year (Q4 2016: € 177 million).
- Operating return on equity amounted to 15.6% for 2017, which is well above the target of 'up to 12%'.
- Combined ratio amounted to 95.1%, which is an improvement of 0.5% point (2016: 95.6%). Operating result in the Non-life segment rose 26.5% to € 172 million mainly due to the exceptionally low level of claims in H1 2017.
- Operating result in the Life segment rose 13.2% to € 633 million mainly due to higher investment income.
- Net result increased 37.5% to € 906 million (2016: € 659 million) due to a higher operating result and higher realized investment returns.

Substantial increase in dividend due to higher operating result; introduction interim dividend in 2018

- Proposed dividend of € 229.7 million, assuming a pay-out ratio of 45% conform dividend policy.
- Dividend per share of € 1.63, an increase of 28.3% (2017: € 1.27)[2].
- Introduction of interim dividend in 2018 set at 40% of the previous year's total dividend (based on proposed dividend for 2017: € 0.65 per share), within the framework of dividend policy.

Robust balance sheet and continued strong Solvency II ratio

- Solvency II ratio[3] (standard formula) as at 31 December 2017 amounted to 203% before, and 196% after dividend.
- Organic capital creation of € 377 million; representing 11.0% of the required Solvency II capital.
- Solvency II capital position very robust; 84.7% consists of Tier 1 capital, headroom of over € 1.5 billion across all tiering categories.
- Cash position of the Holding amounts to € 463 million, which is well above target (€ 350 million). Financial leverage comfortable at 25.3%.
- Privatisation of a.s.r. successfully completed in September 2017; a.s.r. repurchased 9 million of own shares (€ 255 million) in 2017.

Solid operating results with increase in Non-life premiums and new asset management mandates

- Gross written premiums in the Non-life segment increased by 6.0% to € 2,579 million driven by an increase in the number of new customers and premium increases in the existing portfolio. Life segment decreased from € 2,013 million to € 1,453 million mainly due to the one-off effect of two acquired portfolios in 2016.
- Banking and Asset Management segment acquired new external mandates (including commitments for 2018) for € 1.8 billion.

Execution of strategy on track with selective acquisitions

- Focus on customers leads to a further increase of the Net Promoter Score (NPS) from +36 to +40.
- Acquisition of Generali Nederland announced in 2017 finalised on 5 February 2018.
- Acquisition of First Investments finalised in December 2017.

Publication of financial results on 21 February 2018 at 7 a.m. CET. Conference call for financial market participants (in English) at 10.30 a.m. CET. For more information, please visit www.asrnl.com.

1 Operating result has been adjusted, related to the result of a.s.r.'s own pension scheme, excluding the current net service cost.
2 Proposed dividend for 2017 based on 141 million shares. Dividend for 2016 based on 147 million shares.
3 Excluding a.s.r. bank. Solvency II ratio including a.s.r. bank at 195% after dividend.

Jos Baeten, CEO: ‘2017 was a good year for a.s.r. We welcome the successful completion of the privatisation process and the strong results in the form of an increase in our operating result, robust solvency and a proposed dividend of € 229.7 million. Discipline in implementing our strategy led us to exceed all our medium-term financial targets in 2017.

I am also pleased with the progress we have made in our non-financial targets. We continued to work throughout the year to provide our customers with the best possible service. Our success in doing so was confirmed by the appreciative comments we received. Last year’s Net Promoter Score for customers went up from +36 to +40 and for intermediaries from +50 to +57. Their appreciation was also reflected in a growth of more than 32% in the number of *Vernieuwde Voordeel Pakketten* (non-life insurance packages) sold and in a 48% increase in premiums for the *WerknemersPensioen* (employee pension). a.s.r.’s brand awareness among customers also rose in 2017, and we are increasingly being recognised as a socially responsible insurer. We are proud of these results.

In Non-life operations, our expertise was translated into a 6% increase in premiums, while we simultaneously managed to reduce our cost base by € 3 million. Our expertise is also reflected in our capacity to perform successful migrations and conversions. In 2017, for example, we completed the integration of the funeral business portfolio of NIVO into the Life segment and brought a number of large and complex migrations at Individual Life to a successful conclusion. Our strategy focuses on value over volume. We therefore decided to withhold from current pricing in the market for ‘BeZaVa’ and to accept that, as a consequence of that, gross written premiums in Disability would not reach our initial expectations.

To accelerate the digital transformation, a separate department was set up last year. The focus here is on responding to customers' need to communicate more and more digitally. With the deployment of a robot to carry out simple mutations, employees can focus on tasks with more added value for customers. The department also focuses on assessing new (insurtech) initiatives and on developing and testing own initiatives.

We believe that profitable growth and serving the public benefit can go hand in hand. We demonstrate this through the many initiatives we take, such as the recent creation of a joint venture for the successful occupational reintegration of cancer patients and the creation of a new credit ESG fund in which external investors can participate. We recently announced our intention to provide, in conjunction with Triodos Bank, € 600 million in financing to sustainable businesses over the next four years.

The Distribution and Services segment had a commercially successful year with, among other things, a rise in income from commissions. The Banking and Asset Management segment also showed commercial improvement, with an increase in income from fees.

Our Solvency II ratio, which is based on the standard formula, is robust at 196%, taking into account the dividend proposal. With a Solvency II ratio based on just Tier 1 capital of 166%, the quality of our solvency is high. The issuing of a restricted Tier 1 bond further increased a.s.r.’s financial flexibility.

The sharp increase in the operating result allows us to pay a higher dividend. Based on the 2017 results, we propose a cash dividend payment of € 229.7 million. This is € 1.63 per share, an increase of more than 28% compared to last year. As of this year, we also propose paying out interim dividends, which will be set at 40% of the dividend of the previous year (€ 0.65). We strive for a stable growing dividend per share in the long-term.

After the closing of the transaction at the beginning of February, Generali's customers are welcomed at a.s.r. The management of Generali Nederland has been brought into line with the governance of the other a.s.r. business units. The migration plans for the customers of Generali Nederland to the a.s.r. environment are currently being worked on. As of June 1, the new colleagues will move to Utrecht.

In September 2017, NLFI sold the remaining interest in a.s.r. on behalf of the Dutch State. In the 15 months since the initial public offering in June 2016, a.s.r. has made a full return to the stock market. Looking back on the process from nationalisation to full privatisation, we are proud of the way this was achieved.

This is an achievement that would certainly not have been realised without the effort and dedication of our employees. We are grateful to them for their significant contribution to this process. We encourage our employees to define their own career path and take the necessary steps to remain permanently employable. For this reason, a.s.r. and the trade unions agreed their own CBAs for all a.s.r.-employees at the beginning of 2018, of which lifelong employability is the fundamental basis.

We will continue to focus on long-term value creation in 2018 for our customers, shareholders and other stakeholders. The acquisition of Generali Nederland will contribute to this, albeit still modestly in 2018. In order to further emphasise the long-term in our business operations, we have decided to present our financial results every six months rather than every quarter, with effect from this year. The next update will be on 29 August 2018. We will hold our first Capital Markets Day on 10 October 2018. This is a platform to outline our strategy in more detail and to present renewed medium-term financial targets.'

Key figures			
(in € millions, unless per share or expressed as a percentage)	**2017**	**2016 restated**	**Delta (%)**
Operating result	729	622	17.2%
Operating return on equity	15.6%	14.6%	1.0%-p
Profit/(loss) for the year (on IFRS basis)	906	659	37.5%
Return on equity	21.2%	17.0%	4.2%-p
Gross written premiums	3,920	4,328	-9.4%
Operating expenses	-584	-569	2.6%
Combined ratio (Non-life segment)	95.1%	95.6%	-0.5%-p
New production (Life segment (APE))	89	152	-41.4%
	31 Dec. 2017	**31 Dec. 2016**	**Delta (%)**
Total equity	5,432	4,471	21.5%
Total equity attributable to shareholders	4,432	3,780	17.2%
Solvency II ratio (standard formula)	196%	189%	7%-p
Financial leverage	25.3%	25.2%	0.1%-p
Cash position at holding level	463	354	30.8%
Number of FTEs (internal)	3,493	3,461	0.9%
	2017	**2016 restated**	**Delta (%)**
Operating earnings per share	3.53	2.88	22.6%
Ordinary earnings per share (on IFRS basis)	1.63	1.27	28.3%
Number of shares issued and outstanding at end of year (m)	141.0	150.0	-
Weighted average number of issued and outstanding shares (m)	144.6	150.0	-

Further notes to the table

1. The IFRS figures for 2016 have been restated. Property development has been reclassified from discontinued operations to continuing operations. Operating result is recalculated for the recognition of a.s.r.'s own pension scheme.
2. Operating result represent profit or loss before tax adjusted for (i) investment income of an incidental nature (including realised capital gains, impairment losses and realised and unrealised changes in value) and (ii) incidental items not relating to ordinary activities, e.g. as a result of accounting changes, consulting fees for acquisitions, restructuring expenses, start-up costs and shareholder-related expenses.

3. Operating return on equity is calculated by dividing the operating result before tax net of interest on hybrid capital and taxes (tax rate: 25%) by the annual average equity attributable to shareholders net of the reserve for unrealised gains and losses and the equity for real estate development (operations in run-off).
4. Operating earnings per share are calculated by dividing the operating result before tax net of interest on hybrid capital and taxes (tax rate: 25%) by the weighted average number of outstanding shares.
5. Ordinary earnings per share are based on the weighted average number of issued and outstanding ordinary shares.

Financial calendar 2018

Publications and CMD

28 March	Annual report 2017
29 August	Interim results 2018
10 October	Capital Markets Day

Dividend and AGM

21 February	Dividend proposal
31 May	Annual General Meeting
4 June	Ex-dividend date
5 June	Dividend record date
7 June	Payment of dividend over 2017

The figures contained in this press release have not been audited.

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About a.s.r.

ASR Nederland N.V. (a.s.r.) has been in the insurance business since 1720. It is one of the top three insurance companies in the Netherlands. Through its labels a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen, a.s.r. offers insurance, pension and banking products and services to consumers and SMEs. a.s.r. is also active as a fiduciary asset manager, particularly in the public sector. a.s.r. has been listed on Euronext Amsterdam since June 2016 and has been included in the Midcap index since 19 September 2016. For more information, please visit www.asrnl.com.

This press release contains inside information as referred to in article 7 of the market abuse regulation.

Financial and business performance in 2017

a.s.r. key figures (in € millions, unless stated otherwise)	2017	2016 restated [1]	Delta
Gross written premiums	**3,920**	**4,328**	**-9.4%**
- Non-life	2,579	2,433	6.0%
- Life	1,453	2,013	-27.8%
- Eliminations	-112	-118	5.1%
Operating expenses	**-584**	**-569**	**2.6%**
- Non-life	-201	-204	-1.5%
- Life	-184	-203	-9.4%
- Banking and Asset Management	-94	-58	62.1%
- Distribution and Services	-45	-35	28.6%
- Holding and Other / Eliminations	-56	-63	-11.1%
- Real Estate Development	-4	-6	-33.3%
Operating expenses associated with ordinary activities	-560	-549	2.0%
Provision for restructuring expenses	-11	-17	-35.3%
Operating result	**729**	**622**	**17.2%**
- Non-life	172	136	26.5%
- Life	633	559	13.2%
- Banking and Asset Management	7	2	250.0%
- Distribution and Services	16	12	33.3%
- Holding and Other / Eliminations	-99	-87	-13.8%
Incidental items (not included in operating result)	**399**	**233**	**71.2%**
- Investment income	340	149	128.2%
- Underwriting incidentals	33	11	200.0%
- Other incidentals	26	73	-64.4%
Profit/(loss) before tax	**1,128**	**855**	**31.9%**
- Non-life	241	187	28.9%
- Life	931	642	45.0%
- Banking and Asset Management	7	7	0.0%
- Distribution and Services	16	12	33.3%
- Holding and Other / Eliminations	-84	5	-
- Real Estate Development	17	2	-
Income tax expense	**-220**	**-201**	**9.5%**
Profit/(loss) for the year from continuing operations	908	654	38.8%
Profit/(loss) for the year from discontinued operations	-	4	-
Non-controlling interest	-2	1	-
Profit/(loss) for the year attributable to holders of equity instruments	**906**	**659**	**37.5%**
Earnings per share			
Operating result per share (€)	3.53	2.88	22.6%
Dividend per share (€)	1.63	1.27	28.3%
Basic earnings per share on IFRS basis (€)	6.03	4.17	44.6%

(in € millions, unless stated otherwise)	2017	2016 restated [1]	Delta
New business, Life (APE)	89	152	-41.4%
New business, Non-life	257	220	16.8%
Combined ratio, Non-life	95.1%	95.6%	-0.5%-p
Return on equity	21.2%	17.0%	4.2%-p
Operating return on equity	15.6%	14.6%	1.0%-p
Number of internal FTE's	3,493	3,461	32

Equity and solvency (in € millions, unless stated otherwise)	31 Dec. 2017	31 Dec. 2016	Delta
Total assets	55,405	56,952	-2.7%
Equity attributable to shareholders	4,432	3,780	17.2%
Total equity (IFRS)	5,432	4,471	21.5%
Solvency II ratio (standard formula post proposed dividend) [2]	196%	189%	7%-p

1 The changes in the comparative figures mainly concern the reclassification of discontinued operations to continued operations, which had an upward effect on profit before tax of € 17 million. Operating result has been adjusted, related to the result of a.s.r.'s own pension scheme, excluding the current net service cost.

2 Excluding a.s.r. bank.

The **operating result** increased € 107 million (17.2%) to € 729 million (2016: € 622 million) driven by improved results in the business segments:

- Non-life segment increased € 36 million to € 172 million. The improvement was most visible in the P&C business with relatively low level of large claims, favourable weather conditions in H1 and the absence of calamities. The combined ratio improved to 95.1% (2016: 95.6%) and is substantially below the target of <97.0%.
- Life segment increased € 74 million to € 633 million. This increase was mainly driven by higher investment-related returns.
- Bank and Asset Management segment increased € 5 million to € 7 million mostly due to increased fee income and inflow of AuM.
- Distribution and Services segment increased € 4 million to € 16 million thanks to growth of the non-life products and related services.
- The Holding and other segment decreased € 12 million due to higher pension scheme expenses.

Gross written premiums decreased from € 4,328 million in 2016 to € 3,920 million this year. Gross written premiums in the Non-life segment experienced solid growth (+6.0%), which was mainly attributable to the P&C and Health businesses. Gross written premiums in the Life segment decreased 2.8%, after correction for the single premiums of two acquired portfolios (NIVO and AstraZeneca) in 2016. This decrease was mostly due to the shrinking Individual Life portfolio, partly compensated by an increase in the Pension business, due to growth in the *'WerknemersPensioen'* portfolio.

New business in the Non-life segment increased to € 257 million, which is 16.8% higher compared to last year (2016: € 220 million). Growth in the P&C business was attributable to the success of *Vernieuwd Voordeel Pakket* (a product that combines several insurance coverages) and higher number of insured at Health in the Ditzo-portfolio. In the Life segment new production amounted to € 89 million. In 2016, when excluding the previously mentioned acquired portfolios, new production amounted to € 100 million. The decrease was spread across all business lines in the Life segment.

Operating expenses amounted to € 584 million (2016: € 569 million). Operating expenses associated with ordinary activities (part of the operating result) were € 560 million, which is an increase of € 11 million compared with the same period last year. This was mainly attributable to higher current net service costs for a.s.r.'s own pension scheme, an increased cost base because of acquisitions and investments in the growth segments Banking and Asset Management and Distribution and Services. In the Non-life and Life segment operating expenses decreased.

The **number of internal FTEs** increased by +32 FTEs (0.9%) to 3,493 FTEs at 31 December 2017 (2016: 3,461 FTEs). The acquisition of First Investments at the end of 2017 is included in the figures of 2017.

Profit before tax increased by € 273 million (31.9%) from € 855 million to € 1.128 million. The increase was driven by the increased operating result (€ 107 million before tax) and higher investment-related incidentals (up € 191 million before tax).

Operating return on equity increased to 15.6% (2016: 14.6%). The increase was attributable to an increase in the operating result which exceeded the increase in equity. The outcome remains well above the target of up to 12%. **Return on equity on IFRS basis** stood at 21.2% (2016: 17.0%).

The **Solvency II ratio** increased by 7%-points to 196% (year-end 2016: 189%). The Solvency II ratio before the proposed dividend amounts to 203%. The Solvency II ratio increased mainly due to organic capital creation, positive capital market developments and issue of a Restricted Tier 1 bond (RT1). These developments were partially offset by re-risking of the investment portfolio (including scaling back the interest rate hedge), the lower volatility-adjustment, the proposed dividend over 2017 and the buy-backs of own shares.

Medium-term targets

During the IPO-process and listing in 2016 on Euronext Amsterdam, a.s.r. communicated the following targets for the medium-term.

	2017	Medium-term target
Solvency II (standard model)	196%	> 160%
Operating return on equity	15.6%	up to 12%
Reduction in operating expenses	on target	€ 50 million
Combined ratio Non-life segment	95.1%	< 97%
Financial leverage	25.3%	< 30%
S&P rating (insurance business)	Single A	Single A

All medium-term financial targets were exceeded in 2017.

Dividend

Management proposes to distribute a cash dividend of € 229.7 million for the full year 2017. This is a € 43 million (23%) increase compared to the cash dividend of € 187.0 million for 2016. The increase in dividend is driven by the improved operating result. The proposed annual dividend is in line with the earlier announced dividend policy for 2017 and based on a pay-out ratio of 45% to 55% of net operating result attributable to shareholders (i.e. net of hybrid costs).

Proposed dividend over 2017 per share amounts to € 1.63 per share payable in cash, up 28.3% from 2016 (2016: € 1.27). Proposed dividend per share of € 1.63 is based on 141 million shares. Dividend over 2016 of € 1.27 was based on 147 million shares.

Following the approval of the Annual General Meeting on 31 May 2018, the dividend will become payable with effect from 7 June 2018. The a.s.r. stock will trade ex-dividend on 4 June 2018.

In 2018, a.s.r. will introduce interim dividend, set at 40% of the total dividend for the previous year (in 2018: € 0.65 per share). The interim dividend is within the framework of the dividend policy and under the condition of sufficient results.

Segments

Non-life segment

- Operating result increased from € 136 million to € 172 million (+26.5%) due to favourable claims development in the P&C business, especially in the first half of 2017.
- Combined ratio also further improved to 95.1% (2016: 95.6%).
- Gross written premiums increased 6.0% to € 2,579 million driven by all business lines (P&C, Disability and Health).
- Operating expenses decreased by another € 3 million to € 201 million, reflecting continuous focus on operational efficiency.

Key figures, segment Non-life			
(in € millions, unless stated otherwise)	2017	2016	Delta
Gross written premiums	2,579	2,433	6.0%
Operating expenses	-201	-204	-1.5%
Provision for restructuring expenses	-2	-6	-66.7%
Operating result	**172**	**136**	**26.5%**
Incidental items (not included in operating result)	**69**	**51**	**35.3%**
- Investment income	70	30	133.3%
- Underwriting incidentals	-	27	-
- Other incidentals	-1	-6	-
Profit/(loss) before tax	241	187	28.9%
Profit/(loss) for the year attributable to holders of equity instruments	**190**	**143**	**32.9%**
New business, Non-life	257	220	16.8%
Combined ratio	2017	2016	Delta
Combined ratio	**95.1%**	**95.6%**	**-0.5%-p**
- Commission ratio	14.7%	15.3%	-0.6%-p
- Cost ratio	7.6%	8.3%	-0.7%-p
- Claims ratio	72.8%	72.0%	0.8%-p
Combined ratio			
- P&C	95.5%	98.5%	-3.0%-p
- Disability	90.9%	88.2%	2.7%-p
- Health	99.2%	99.1%	0.1%-p

Operating result increased from € 136 million to € 172 million (26.5%). The improvement is primarily the result of an exceptionally good first half year with a favourable level of claims at P&C and no calamities. Operating result of Health remained stable. The performance of Disability remained at a strong level, despite an increase in claims in 2017 at absenteeism insurance and individual occupational disability.

The increase in operational result was reflected in an 0.5%-point improved **combined ratio** to 95.1%. This is also the result of favourable weather conditions in H1 2017 without calamities in the whole of 2017. The combined ratio in H1 2016 was negatively influenced by hail and water damage claims of € 25 million. The P&C business (a.s.r. schade, Ditzo and Europeesche Verzekeringen) improved 3.0%-point to 95.5%. When disregarding the impact of the hail and water damage claims in 2016 the improvement for P&C was still 0.6%-point. Health remained practically stable at 99.2% and Disability was 2.7%-point up, but still at an acceptable level of 90.9% due to higher claims especially for individual and absenteeism policies.

New business in the Non-life segment increased by € 37 million to € 257 million (+16.8%). All business lines contributed to this growth. Growth was also driven by a higher contribution from *Doorgaanverzekering* (Occupational Disability and Health). This product allows business owners to combine health insurance with occupational disability. The increase of P&C was driven by further growth in sales of *Vernieuwd Voordeel Pakket* (up 32% from 2016). Health increased thanks to inflow of 22,000 new policyholders, mainly in the Ditzo portfolio.

The **operating expenses** decreased by € 3 million, from € 204 million to € 201 million (-1.5%). This improvement is also the result of the continuous focus on cost efficiency in addition to the effect of transition costs in previous year for the transfer of the business of Europeesche Verzekeringen from the Amsterdam office to the a.s.r head-office in Utrecht.

The **profit for the year** increased by € 47 million from € 143 million to € 190 million (32.9%) and reflects the strong operating performance this year. Higher contribution of incidental investment income (€ 40 million), which is mainly realised capital gains on equity, was largely offset by an incidental release of premium reserves in 2016 with an effect of € 27 million.

Gross written premiums rose € 146 million (6.0%) from € 2,433 million to € 2,579 million and was driven by all product lines (P&C, Disability and Health). The increase in P&C business (€ 62 million) is mainly related to higher volumes brought in from mandated brokers as well as the SME market. The focus on profitable growth also led to the termination of some loss-making contracts in the mandated brokers distribution channel. Growth in Health insurance (€ 76 million) was driven by an increase of new policies at Ditzo, higher premiums and effects caused by the equalization system. Premiums in the Disability business went up (€ 8 million), especially in the absenteeism business.

Life segment

- Operating result increased by € 74 million to € 633 million (13.2%) mostly due to higher investment-related income.
- Gross written premiums decreased from € 2,013 million to € 1,453 million mainly due to one-off effects recognised in 2016.
- Operating expenses declined with 9.4% to € 184 million driven by synergy benefits.

Key figures, segment Life (in € millions, unless stated otherwise)	2017	2016	Delta
Recurring premiums	1,243	1,279	-2.8%
Single premiums	210	734	-71.4%
Gross written premiums	1,453	2,013	-27.8%
Operating expenses	-184	-203	-9.4%
Provision for restructuring expenses	-7	-9	-22.2%
Operating result	**633**	**559**	**13.2%**
Incidental items (not included in operating result)	**298**	**83**	**259.0%**
- Investment income	271	114	137.7%
- Underwriting incidentals	32	-16	-
- Other incidentals	-5	-15	66.7%
Profit/(loss) before tax	931	642	45.0%
Profit/(loss) for the year attributable to holders of equity instruments	**731**	**492**	**48.6%**
Cost-premium ratio (APE)	11.0%	11.7%	-0.7%-p
New business (APE)	89	152	-41.4%

Operating result improved € 74 million to € 633 million (13.2%). This increase is mainly attributable to higher investment returns (€ 70 million) as a result of an allocation to higher yielding investments in the asset mix (equity, mortgages) and higher releases from the realised capital gains reserve. Lower cost coverage was offset by an increased mortality result.

Profit for the year increased by € 239 million, from € 492 million to € 731 million (48.6%). The increase was mainly attributable to higher incidental investment income (€ 156 million) as a result of the sale of cumulative preference shares in Unilever in Q4 2017 and higher realised capital gains (equity).

Gross written premiums decreased from € 2,013 million to € 1,453 million (-27.8%). Disregarding the one-off effect of € 518 million related to acquired portfolios in 2016, the decrease in gross written premiums was € -42 million. The shrinking portfolio at Individual Life with € 68 million was partly offset by an increase of premiums in the Pension business of € 25 million. Funeral remained fairly stable (up € 1 million). The level of surrenders of unit-linked policies at Individual Life was 2.1% (2016: 1.5%). The increase in surrenders (up 0.6%-p) was also driven by new fiscal legislation as of 1 January 2017. The minimum premium payment condition of 15-20 years for fiscal exemption no longer exists making it possible for policyholders to surrender their policy.

In line with a.s.r.'s strategy to optimize its capital position, further initiatives were taken to reduce the level of capital intensive Defined Benefit (DB)-products and separate accounts. Several existing clients accepted a proposal for a Defined Contribution (DC)-product (*WerknemersPensioen*), or a move to the Brand New Day PPI or the general pension fund (*Het nederlandse pensioenfonds*).

New business

Disregarding the effect of the acquired funeral insurance portfolio inflow in 2016, new business, measured in annualised premium equivalent (APE), decreased from € 100 million in 2016 to € 89 million in 2017 (down € 11 million). All business lines (Pension, Individual Life and Funeral) showed a slight decrease. The share of capital light Defined Contribution (DC) products in new pension business continued to increase to 77.1% (2016: 55.1%).

Operating expenses decreased from € 203 million to € 184 million (-9.4%) benefiting from the economies of scale achieved by the operational integration of the acquired NIVO and AXENT into the Funeral business and the integration of De Eendragt into the Pension business.

In 2017, the migration of closed books portfolios to a single ICT platform continued and as a result ICT platforms were phased out. Synergies were also visible in an improvement of the cost-premium ratio (on the basis of APE) to 11.0% (2016: 11.7%).

Banking and Asset Management segment[4]

Key figures, segment Banking and Asset Management			
(in € millions)	2017	2016	Delta
Total income	170	128	32.8%
Operating expenses	-94	-58	62.1%
Provision for restructuring expenses	-2	-1	100.0%
Operating result	**7**	**2**	**250.0%**
Incidental items (not included in operating result)	**-**	**5**	**-**
- Investment income	2	6	-66.7%
- Underwriting incidentals	-	-	-
- Other incidentals	-2	-1	100.0%
Profit/(loss) before tax	7	7	0.0%
Tax	-1	-2	-50.0%
Profit/(loss) for the year attributable to holders of equity instruments	**6**	**5**	**20.0%**

Operating result of the Banking and Asset Management segment increased by € 5 million to € 7 million (2016: € 2 million), driven by Asset Management (€ 4 million) as well as Banking (€ 1 million).

Inflow of savings deposits at **a.s.r. bank** increased by € 260 million (18.8%) to € 1,646 million (2016: € 1,386 million). Inflow of AuM at Asset Management resulted in a higher level of fees.

Growth was mainly attributable to the savings accounts, the *Lijfrente Spaarrekening* (annuity savings account) and the *Extra Pensioen Uitkering* (Extra Pension Benefit). a.s.r. bank adjusted the interest rates for savings accounts during the year to improve margins which limited the inflow during the year.

New business volumes of the *WelThuis Hypotheek* (mortgage) amounted to € 1,904 million compared to € 1,286 million last year. The increase of 48.1% was attributable to positive market developments with an increased average amount per mortgage. The total mortgage portfolio increased by 15.3% to € 8.3 billion (2016: € 7.2 billion).

This also includes mortgages of the ASR Hypotheekfonds. This mortgage fund was launched in 2017 and gives institutional investors the opportunity to invest in Dutch residential mortgages. The first investors have already joined and the portfolio amounts to almost € 0,5 billion.

Payment arrears of more than 90 days on the *WelThuis* portfolio amount to 0.21% as of December 2017 (December 2016: 0.34%). Credit losses amount to 0.44 basis points (2016: 1.44 basis points).

The share of **assets under management (AuM)** for third parties increased by € 1.4 billion to € 14.3 billion (year-end 2016: € 12.9 billion). Besides this inflow there were commitments made for inflow in 2018 of € 0.4 billion. In Q4 2017, a.s.r. acquired Dutch-based asset manager First Investments, specialised in investment solutions for the pension sector, with an AuM of € 0.6 billion. The AuM of First Investments are part of the total increase.

[4] The Banking and Asset Management segment consists of all the banking activities and the activities related to asset management, including real estate investment management. These activities include ASR Bank N.V., ASR Hypotheken B.V, ASR Vastgoed Vermogensbeheer B.V. and ASR Vermogensbeheer N.V. As from 8 December 2017 First Investments has been included in this segment.

Distribution and Services segment[5]

Key figures, segment Distribution and Services			
(in € millions)	2017	2016	Delta
Total income	62	48	29.2%
Operating expenses	-45	-35	28.6%
Provision for restructuring expenses	-	-	-
Operating result	**16**	**12**	**33.3%**
Incidental items (not included in operating result)	**-**	**-**	**-**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-	-	-
Profit/(loss) before tax	16	12	33.3%
Tax	-4	-3	33.3%
Profit/(loss) for the year attributable to holders of equity instruments	**12**	**9**	**33.3%**

Following the acquisitions in previous years of Van Kampen Groep and Dutch ID (in 2015) and SuperGarant and Corins (in 2016), the Distribution and Services segment gained further substance in 2017. The fee income and the operating result of the segment increased, due to growth in the distribution of non-life insurance products and thereto related services.

Operating result of the Distribution and Services segment increased by € 4 million to € 16 million (33.3%).The increase was mainly attributable to growth in the portfolio of activities of Dutch ID, especially in mandated broker services and advisory. SuperGarant and Corins, both acquired in H2 2016, also contributed to the increase of the operating result (total € 2 million).

[5] This segment includes the financial intermediary business of Poliservice B.V., Van Kampen Groep Holding B.V. and Dutch ID B.V. The activities of SuperGarant Verzekeringen B.V. and SuperGarant Zorg B.V. (as from 1 September 2016) and Corins B.V. (as from 3 October 2016) have been included in this segment.

Holding and Other segment (including Eliminations)[6]

Key figures, segment Holding and Other / Eliminations (in € millions)	2017	2016	Delta
Operating expenses	-56	-63	-11.1%
Provision for restructuring expenses	-	-1	-100.0%
Operating result	**-99**	**-87**	**13.8%**
Incidental items (not included in operating result)	**15**	**92**	**-83.7%**
- Investment income	-3	-1	200.0%
- Underwriting incidentals	1	-	
- Other incidentals	17	93	-81.7%
Profit/(loss) before tax	-84	5	-
Tax	38	-4	-
Non-controlling interest	1	1	-
Profit/(loss) for the year attributable to holders of equity instruments	**-45**	**2**	**-**

Operating result decreased with € 12 million from € -87 million to € -99 million. This is mainly the result of higher current net service costs (€ 11 million) for a.s.r.'s own pension scheme. This was due to the lower discount rates primo 2017.

Operating expenses decreased from € -63 million to € -56 million, mainly related to a reduction of non-ordinary costs with € 8 million in 2017 due to preparation costs for the IPO of a.s.r. in the first half of 2016.

The **incidental items** amounted to € 15 million compared to € 92 million in 2016. The decrease mainly relates to a release in 2016 of € 100 million of a.s.r.'s post-employment benefit plan for future inflation indexation for former employees (IAS 19).

Profit before tax decreased from € 5 million to € -84 million. This decrease was mainly attributable to the above mentioned incidental items.

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

Real Estate Development segment

Key figures, segment Real Estate Development			
(in € millions)	2017	2016	Delta
Profit/(loss) for the year from continuing operations	14	3	-
Profit/(loss) for the year from discontinued operations	-	4	-100.0%
Profit/(loss) attributable to non-controlling interests	-2	1	-300.0%
Profit/(loss) for the year attributable to holders of equity instruments	**12**	**8**	**50.0%**

Until 2016, the activities of ASR Vastgoed Projecten B.V., which consist of the run-off real estate development activities, were considered partly as continuing and partly as discontinued operations. In 2016, some of the discontinued operations were sold. The small remaining part of the business is not expected to be sold in the near future. These operations therefore no longer meet the IFRS requirements to be classified as ‘held for sale and discontinued operations’’ and have been reclassified as continuing operations as of 1 January 2017.

Profit for the year increased from € 8 million to € 12 million, reflecting an increase in residential and retail volumes sold, especially in the project Leidsche Rijn Centrum (LRC).

The profit from discontinued operations in 2016 (€ 4 million) was related to projects sold in 2016.

Capital management

- The Solvency II ratio (standard formula and exclusive of a.s.r. bank) continues to be robust at 196% after distribution of the proposed dividend (year-end 2016: 189%) and well within our target of above 160%. Solvency II ratio before proposed dividend and exclusive of a.s.r. bank, amounts to 203%.
- Capital accretion stood at € 487 million before dividend and at € 258 million after proposed dividend (€ 229.7 million). Organic capital creation amounted to € 377 million.
- Cash level at the holding amounts to € 463 million (before the dividend proposal of € 229.7 million), which is well above the target. Financial leverage at robust level at 25.3% (year-end 2016: 25.2%).
- Double leverage was 97.0% (year-end 2016: 102.9%).
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 952 million mostly due to the addition of the profit for the year, which was partly offset by share buy-backs.

Solvency II

Solvency II (in € millions)	31 Dec. 2017	31 Dec. 2016	Delta
Eligible Own Funds	6,826	6,299	8.4%
Required capital	3,479	3,338	4.2%
Solvency II ratio (post proposed dividend)	**196%**	**189%**	**7%-p**

The Solvency II ratio increased by 7%-points to 196% (year-end 2016: 189%), Solvency II ratio before proposed dividend amounts to 203%. The eligible own funds increased by € 527 million, mainly due to organic capital creation, positive capital market developments and the issue of an RT1 bond. These developments were partially offset by the increased proposed dividend and the buy-backs of own shares. The required capital increased by € 141 million, mainly driven by re-risking of the investment portfolio (including scaling back the interest rate hedge), the lower volatility-adjustment and the lower yield curve.

Equity

Breakdown of total equity (in € millions)	31 Dec. 2017	31 Dec. 2016	Delta
Share capital	24	24	0.0%
Share premium reserve	1,018	1,038	-1.9%
Unrealised gains and losses	869	726	19.7%
Actuarial gains and losses (IAS19)	-674	-755	-10.7%
Retained earnings	3,383	2,747	23.2%
Treasury shares	-188	-	-
Equity attributable to shareholders	4,432	3,780	17.2%
Other equity instruments	1,001	701	42.8%
Equity attributable to holders of equity instruments	**5,433**	**4,481**	**21.2%**
Non-controlling interest	-1	-10	-90.0%
Total equity attributable to shareholders	**5,432**	**4,471**	**21.5%**

Statement of changes in total equity (in € millions)	2017	2016
Beginning of reporting period - total equity	**4,471**	**4,259**
Profit / loss for the year	906	659
Unrealised gains and losses	143	40
Actuarial gains and losses (IAS19)	80	-288
Other equity instruments (Restricted Tier 1 capital)	300	-
Non-controlling interest	9	6
Dividend	-187	-170
Treasury shares	-188	-
Other changes (e.g. coupon hybrids)	-102	-35
End of reporting period - total equity	**5,432**	**4,471**

Equity attributable to holders of equity instruments (IFRS-based equity) increased by € 952 million from € 4,481 million to € 5,433 million. The increase was mainly a consequence of an addition of the profit for the year of € 906 million, unrealised gains on investments of € 143 million, an actuarial gain of € 80 million and the issuance of a (RT1) hybrid bond for € 300 million (nominal value) in Q4 2017. The dividend distribution to shareholders for 2016 of € 187 million and the share buy-back of € 255 million led to a decrease in equity.

In January 2017, NLFI sold 20,400,000 shares in a.s.r. at a price of € 22.15 per share and a.s.r. repurchased 3,000,000 shares in the offering, which was the maximum to which a.s.r. was authorised. In April 2017 NLFI sold 20,000,000 shares in a.s.r. at a price of € 25,75. In June 2017, NLFI sold another 25,000,000 shares at a price of € 29.00 per share. a.s.r. again repurchased 3,000,000 shares in its own capital in June 2017. In September 2017, NLFI sold the remaining 30,150,115 shares at a price of € 33.75 per share. In this final offering of a.s.r. shares by NLFI, a.s.r. again repurchased 3,000,000 of its shares and the remaining shareholding of NLFI as from this date is nil.

Financial leverage

Financial leverage (in € millions)	31 Dec. 2017	31 Dec. 2016	Delta
Basis for financial leverage (Equity attributable to shareholders)	4,432	3,780	17.2%
Financial liabilities	1,498	1,273	17.7%
of which hybrids	1,001	701	42.8%
of which subordinated liabilities	497	497	0.0%
of which senior debt	-	75	-100.0%
Financial leverage (%)	**25.3%**	**25.2%**	**0.1%-p**
Interest coverage ratio (IFRS)	**15.6x**	**12.4x**	**3.2x**

Financial leverage of a.s.r. as at 31 December 2017 was at a robust level of 25.3% (2016: 25.2%). The increase which was caused by the issuance of a RT1 hybrid bond in the market for € 300 million (nominal value) in Q4 2017, was almost fully offset by the increase of equity attributable to holders of equity instruments and a redemption of a senior loan of € 75 million in Q4 2017.

Double leverage

Double leverage (in € millions)	31 Dec. 2017	31 Dec. 2016	Delta
Total value of associates	5,750	5,121	12.3%
Equity attributable to shareholders	4,432	3,780	17.2%
Hybrids and subordinated liabilities	1,498	1,198	25.0%
Equity attributable to holders of equity instruments	**5,930**	**4,978**	**19.1%**
Double leverage (%)	**97.0%**	**102.9%**	**-5.9%-p**

Double leverage improved from 102.9% in previous year to 97.0% this year as the increase in equity attributable to holders of equity instruments exceeded the increase in the total value of associates.

The issuance of the RT1 hybrid bond (€ 300 million, nominal value) and the purchase of own shares (€ 255 million) were the main drivers of the development of equity attributable to holders of equity instruments.

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

1. Financial statements

1.1. Consolidated Balance Sheet (before profit appropriation)

(in € millions)	31 December 2017	31 December 2016
Intangible assets	333	326
Property and equipment	171	171
Investment property	1,597	3,057
Associates and joint ventures at equity method	45	20
Investments	25,681	25,471
Investments on behalf of policyholders	7,684	7,745
Loans and receivables	12,174	11,468
Derivatives	2,527	3,060
Deferred tax assets	226	595
Reinsurance contracts	546	635
Other assets	672	773
Cash and cash equivalents	3,749	3,581
Assets held for sale	-	50
Total assets	**55,405**	**56,952**
Share capital	24	24
Share premium reserve	1,018	1,038
Unrealised gains and losses	869	726
Actuarial gains and losses	-674	-755
Retained earnings	3,383	2,747
Treasury shares	-188	-
Total equity attributable to shareholders	**4,432**	**3,780**
Other equity instruments	1,001	701
Equity attributable to holders of equity instruments	**5,433**	**4,481**
Non - controlling interests	-1	-10
Total equity	**5,432**	**4,471**
Subordinated liabilities	497	497
Liabilities arising from insurance contracts	31,057	32,484
Liabilities arising from insurance contracts on behalf of policyholders	9,804	9,928
Employee benefits	3,161	3,257
Provisions	33	49
Borrowings	39	114
Derivatives	403	577
Deferred tax liabilities	-	-
Due to customers	2,184	1,911
Due to banks	2,254	2,835
Other liabilities	541	827
Liabilities relating to assets held for sale	-	2
Total liabilities	49,973	52,481
Total liabilities and equity	**55,405**	**56,952**

1.2. Consolidated Income Statement

(in € millions)	2017	2016 restated
Continuing operations		
Gross premiums written	3,920	4,328
Change in provisions for unearned premiums	43	58
Gross insurance premiums	**3,963**	**4,386**
Reinsurance premiums	-60	-126
Net insurance premiums	**3,903**	**4,260**
Investment income	1,266	1,303
Realised gains and losses	417	639
Fair value gains and losses	14	121
Result on investments on behalf of policyholders	462	322
Fee and commission income	121	112
Other income	181	170
Share of profit / (loss) of associates and joint ventures	14	7
Total income	**2,475**	**2,674**
Insurance claims and benefits	-3,861	-4,846
Insurance claims and benefits recovered from reinsurers	26	120
Net insurance claims and benefits	**-3,835**	**-4,726**
Operating expenses	-584	-569
Restructuring provision expenses	-11	-17
Commission expenses	-390	-398
Impairments	26	15
Interest expense	-197	-257
Other expenses	-259	-127
Total expenses	**-1,415**	**-1,353**
Profit before tax	**1,128**	**855**
Income tax (expense) / gain	-220	-201
Profit after tax from continuing operations	**908**	**654**
Discontinued operations		
Profit (loss) from discontinued operations after tax	-	4
Profit for the year	**908**	**658**
Attributable to:		
- Non-controlling interests	2	-1
- Shareholders of the parent	872	625
- Holders of other equity instruments	45	45
- Tax on interest of other equity instruments	-11	-11
Profit attributable to holders of equity instruments	**906**	**659**

1.3. Consolidated Statement of Movements in Equity

(in € millions)	Share capital	Share premium reserve	unrealised gains and losses	Actuarial gains and losses pension obligation	Retained earnings	Treasury shares	Equity attributable to shareholders	Other equity instruments	Non - controlling interests	Total equity
At 1 January 2017	**24**	**1,038**	**726**	**-755**	**2,747**	**-**	**3,780**	**701**	**-10**	**4,471**
Profit for the year	-	-	-	-	906	-	906	-	2	908
Total other comprehensive income	-	-	143	81	-	-	224	-	-	224
Total comprehensive income	**-**	**-**	**143**	**81**	**906**	**-**	**1,130**	**-**	**2**	**1,132**
Dividend paid	-	-	-	-	-187	-	-187	-	-	-187
Discretionary interest on other equity instruments	-	-	-	-	-45	-	-45	-	-	-45
Tax relating to interest on other equity instruments	-	-	-	-	11	-	11	-	-	11
Issue of other equity instruments	-	-	-	-	-	-	-	300	-	300
Increase (decrease) in capital	-	-20			-47	67	-		7	7
Cost of issue of other equity instruments	-	-	-	-	-2	-	-2	-	-	-2
Treasury shares acquired	-	-	-	-	-	-255	-255	-	-	-255
At 31 December 2017	**24**	**1,018**	**869**	**-674**	**3,383**	**-188**	**4,432**	**1,001**	**-1**	**5,432**
At 1 January 2016	**100**	**962**	**686**	**-467**	**2,293**	**-**	**3,574**	**701**	**-16**	**4,259**
Profit for the year	-	-	-	-	659	-	659	-	-1	658
Total other comprehensive income	-	-	40	-288	-	-	-248	-	-	-248
Total comprehensive income	**-**	**-**	**40**	**-288**	**659**	**-**	**411**	**-**	**-1**	**410**
Discretionary interest on other equity instruments	-	-	-	-	-45	-	-45	-	-	-45
Tax relating to interest on other equity instruments	-	-	-	-	11	-	11	-	-	11
Increase (decrease) in capital	-76	76	-	-	-	-	-	-	-	-
Capital investment non-controlling interest	-	-	-	-	-	-	-	-	8	8
Other	-	-	-	-	-1	-	-1	-	-	-1
At 31 December 2016	**24**	**1,038**	**726**	**-755**	**2,747**	**-**	**3,780**	**701**	**-10**	**4,471**

1.4. Segmented Balance Sheet

As at 31 December 2017 (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Intangible assets	13	144	8	168	-	-	-	333
Property and equipment	-	146	-	5	20	-	-	171
Investment property	135	1,462	-	-	-	-	-	1,597
Associates and joint ventures at equity method	-	3	-	1	16	25	-	45
Investments	4,607	20,803	130	-	2,889	-	-2,748	25,681
Investments on behalf of policyholders	-	7,684	-	-	-	-	-	7,684
Loans and receivables	338	10,433	1,503	15	51	15	-181	12,174
Derivatives	5	2,520	2	-	-	-	-	2,527
Deferred tax assets	-	-	-	-	225	1	-	226
Reinsurance contracts	366	180	-	-	-	-	-	546
Other assets	155	563	24	-	-208	138	-	672
Cash and cash equivalents	467	2,554	191	33	490	14	-	3,749
Assets held for sale	-	-	-	-	-	-	-	-
Total assets	**6,086**	**46,492**	**1,858**	**222**	**3,483**	**193**	**-2,929**	**55,405**
Equity attributable to holders of equity	1,286	4,332	151	181	-512	37	-42	5,433
Non-controlling interests	-	10	-	-	-	-1	-10	-1
Total equity	**1,286**	**4,342**	**151**	**181**	**-512**	**36**	**-52**	**5,432**
Subordinated liabilities	15	-	-	-	497	-	-15	497
Liabilities arising from insurance contracts	4,579	28,796	-	-	-	-	-2,318	31,057
Liabilities arising from insurance contracts on behalf of policyholders	-	9,804	-	-	-	-	-	9,804
Employee benefits	-	-	-	1	3,160	-	-	3,161
Provisions	-	12	1	-	15	5	-	33
Borrowings	-	31	3	1	-	133	-129	39
Derivatives	5	398	-	-	-	-	-	403
Deferred tax liabilities	73	-245	5	5	176	-	-14	-
Due to customers	53	873	1,646	9	-	-	-397	2,184
Due to banks	2	2,251	1	-	-	-	-	2,254
Other liabilities	73	230	51	25	147	19	-4	541
Liabilities relating to assets held for sale	-	-	-	-	-	-	-	-
Total liabilities	**4,800**	**42,150**	**1,707**	**41**	**3,995**	**157**	**-2,877**	**49,973**
Total liabilities and equity	**6,086**	**46,492**	**1,858**	**222**	**3,483**	**193**	**-2,929**	**55,405**

1.4. Segmented Balance Sheet (continued)

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

1.5. Segmented Income Statement

2017 (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Continuing operations								
Gross premiums written	2,579	1,453	-	-	-	-	-112	3,920
Change in provisions for unearned premiums	43	-	-	-	-	-	-	43
Gross insurance premiums	**2,622**	**1,453**	**-**	**-**	**-**	**-**	**-112**	**3,963**
Reinsurance premiums	-54	-6	-	-	-	-	-	-60
Net insurance premiums	**2,568**	**1,447**	**-**	**-**	**-**	**-**	**-112**	**3,903**
Investment income	109	1,103	39	-	10	-	5	1,266
Realised gains and losses	72	346	1	-	-	-1	-1	417
Fair value gains and losses	15	-4	1	-1	-	-	3	14
Result on investments on behalf of policyholders	-	456	-	-	-	-	6	462
Fee and commission income	23	2	129	49	-	-	-82	121
Other income	2	24	-	13	21	124	-3	181
Share of profit / (loss) of associates and joint ventures	-	-1	-	1	1	13	-	14
Total income	**221**	**1,926**	**170**	**62**	**32**	**136**	**-72**	**2,475**
Insurance claims and benefits	-1,972	-1,987	-	-	-	-	98	-3,861
Insurance claims and benefits recovered from reinsurers	28	-2	-	-	-	-	-	26
Net insurance claims and benefits	**-1,944**	**-1,989**	**-**	**-**	**-**	**-**	**98**	**-3,835**
Operating expenses	-201	-184	-94	-45	-104	-4	48	-584
Restructuring provision expenses	-2	-7	-2	-	-	-	-	-11
Commission expenses	-401	-15	-	-	-	-	26	-390
Impairments	9	18	-	-	-1	-	-	26
Interest expense	-4	-95	-20	-	-17	-3	-58	-197
Other expenses	-5	-170	-47	-1	3	-112	73	-259
Total expenses	**-604**	**-453**	**-163**	**-46**	**-119**	**-119**	**89**	**-1,415**
Profit before tax	**241**	**931**	**7**	**16**	**-87**	**17**	**3**	**1,128**
Income tax (expense) / gain	-51	-199	-1	-4	39	-3	-1	-220
Profit after tax from continuing operations	**190**	**732**	**6**	**12**	**-48**	**14**	**2**	**908**
Discontinued operations								
Profit / (loss) from discontinued operations after tax	-	-	-	-	-	-	-	-
Profit for the year	**190**	**732**	**6**	**12**	**-48**	**14**	**2**	**908**
Profit attributable to non - controlling interests	-	-1	-	-	-	-2	1	-2
Profit attributable to holders of equity instruments	**190**	**731**	**6**	**12**	**-48**	**12**	**3**	**906**

1.5. Segmented Income Statement (continued)

2016 restated (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Continuing operations								
Gross premiums written	2,433	2,013	-	-	-	-	-118	4,328
Change in provisions for unearned premiums	58	-	-	-	-	-	-	58
Gross insurance premiums	**2,491**	**2,013**	**-**	**-**	**-**	**-**	**-118**	**4,386**
Reinsurance premiums	-122	-4	-	-	-	-	-	-126
Net insurance premiums	**2,369**	**2,009**	**-**	**-**	**-**	**-**	**-118**	**4,260**
Investment income	119	1,128	38	-	10	-	8	1,303
Realised gains and losses	56	621	5	-	-	-	-43	639
Fair value gains and losses	15	94	1	-	2	-	9	121
Result on investments on behalf of policyholders	-	318	-	-	-	-	4	322
Fee and commission income	34	2	84	40	-	-	-48	112
Other income	2	28	-	8	109	23	-	170
Share of profit / (loss) of associates and joint ventures	-	3	-	-	-	4	-	7
Total income	**226**	**2,194**	**128**	**48**	**121**	**27**	**-70**	**2,674**
Insurance claims and benefits	-1,917	-3,116	-	-	-	-	187	-4,846
Insurance claims and benefits recovered from reinsurers	116	4	-	-	-	-	-	120
Net insurance claims and benefits	**-1,801**	**-3,112**	**-**	**-**	**-**	**-**	**187**	**-4,726**
Operating expenses	-204	-203	-58	-35	-87	-6	24	-569
Restructuring provision expenses	-6	-9	-1	-	-1	-	-	-17
Commission expenses	-396	-16	-	-	-	-	14	-398
Impairments	14	-2	-	-	-	3	-	15
Interest expense	-4	-142	-20	-	-30	-	-61	-257
Other expenses	-11	-77	-42	-1	-11	-22	37	-127
Total expenses	**-607**	**-449**	**-121**	**-36**	**-129**	**-25**	**14**	**-1,353**
Profit before tax	**187**	**642**	**7**	**12**	**-8**	**2**	**13**	**855**
Income tax (expense) / gain	-44	-149	-2	-3	-	1	-4	-201
Profit after tax from continuing operations	**143**	**493**	**5**	**9**	**-8**	**3**	**9**	**654**
Discontinued operations								
Profit (loss) from discontinued operations after tax	-	-	-	-	-	4	-	4
Profit for the year	**143**	**493**	**5**	**9**	**-8**	**7**	**9**	**658**
Profit attributable to non - controlling interests	-	-1	-	-	-	1	1	1
Profit attributable to holders of equity instruments	**143**	**492**	**5**	**9**	**-8**	**8**	**10**	**659**

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