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

Utrecht, 20 February 2019, 07.00 hours

a.s.r. records strong result in 2018

Operating result higher than record year 2017; all mid-term targets achieved

- Operating result rose by 2.0% to € 742 million (2017: € 728 million). The impact of the January storm (€ 30 million) is more than compensated by higher results in other segments mostly driven by the acquisition of Generali Nederland (approx. € 40 million).
- In H2 2018, the operating result rose by 5.6% to € 363 million (H2 2017: € 343 million).
- Operating return on equity was 14.2% over 2018, well above the target of ‘up to 12%’.
- Combined ratio was 96.5%, ahead of the target of 97%. This includes the impact of the January storm (1%-point).
- Operating result in the Non-life segment was € 145 million, a decline relative to the previous year (€ 172 million).
- Operating result in the Life segment rose by 4.9% to € 664 million, in particular as a result of the contribution of the acquired life activities of Generali Nederland.
- Net result was € 655 million (2017: € 906 million). The decline in net result in 2018 is mainly driven by a one-off investment gain in 2017.

Increase of dividend reflecting confidence in 2019 outlook

- Proposed dividend amounts to € 245 million (+6.7%), the pay-out ratio was raised to 48% of the net operating result (after deduction of the coupons for hybrid instruments), reflecting management’s confidence in the outlook for 2019.
- Dividend per share rose by € 0.11 to € 1.74 (2017: € 1.63).
- Taking into account the interim dividend paid (€ 0.65), a final dividend of € 1.09 per share remains.

Robust balance sheet and continued strong solvency II-ratio

- Solvency II-ratio (standard formula) as at 31 December 2018 was 204% before and 197% after proposed dividend (2017: 196% after dividend). This includes the impact of the forthcoming tax reductions (-6%-point).
- Organic capital creation amounted to € 372 million, equal to 10% of the required capital.
- Solvency II capital position is very robust; 85% consists of tier 1 capital, financial flexibility is strong with a ‘headroom’ in tier 1 of € 843 million and in tier 2 and 3 jointly € 718 million.
- Financial leverage is 26.7%, which is well below maximum threshold of 30%.
- Liquidity position of the holding amounted to € 394 million, ample to cover foreseen dividend payments, coupons and other holding expenses for 2019.

Solid business performance

- Gross written premiums in the Non-life segment rose by € 435 million to € 3,014 million, both as a result of solid organic growth of 4.7% and the acquisition of Generali Nederland (€ 314 million).
- Gross written premiums in the Life segment rose from € 1,453 million to € 1,566 million, mainly due to the contribution of Generali Nederland, higher gross written premiums in Pension (in particular DC). These developments exceed the decrease in Individual Life.
- Assets under management for third parties rose by € 1.7 billion for a.s.r. vermogensbeheer (asset management) and a.s.r. real estate jointly to € 16.0 billion (2017: € 14.3 billion). The ASR Hypotheekfonds (mortgages fund) grew by € 1.3 billion and now has € 2.3 billion of committed external assets under management.
- Fee-based (capital light) business generated € 41 million operating result, approximately 1%-point capital generation in 2018.

Publication of financial results on 20 February 2019 at 7 a.m. CET. Conference call for financial market participants at 10.30 a.m. CET. For more information, please visit www.asrnl.com.

Execution of strategy on track

- Further improvement of services resulted in increase of the Net Promoter Score (NPS), from +40 to +42.
- Integration of Generali Nederland and its contribution to the operating result is ahead of plan.
- Acquisition of Loyalis was announced in December; on track to be closed in the first six months of 2019, subject to regulatory approval.
- a.s.r. bank has been classified as non-core in the second half of 2018.
- Change of management structure for more effective decision-making, e.g. formation of the Business Executive Committee for more direct involvement of senior managers of the product lines. Effective as of 1 February 2019.
- a.s.r. entered into an exclusive agreement with Discovery, a renowned international financial services organisation, to extend a.s.r.'s product range for sustainable employability with Discovery's behavioural-change programme that encourages and rewards customers for living healthier.
- Implementation of IFRS 9 and 17 is well on track. In order to safeguard stability during the transition phase a rotation of the external auditor is being prepared.

CEO Jos Baeten: '2018 was another good year for a.s.r. Our operating result exceeded that for 2017, which was until then our best to date. We have now either achieved or surpassed all the targets we set ourselves following the IPO in 2016, which proves that sustainable business and profitable growth can go hand-in-hand.

a.s.r. achieves this by offering distinctive, innovative products and services which tie in closely with customers' needs and add value to society. Disability and Health are highly committed to the sustainable deployment of both employees and self-employed individuals. We have further consolidated our position in this field with the announcement of our proposed acquisition of Loyalis. There is increased interest in our *Langer mee AOV* which makes it possible to offer affordable occupational disability insurance for people in physically demanding professions for whom such insurance is difficult or expensive to arrange.

I am especially proud to announce an exclusive partnership with Discovery for our Disability and Health customers. This year, we will launch a.s.r. Vitality, a concept which can help our customers live a healthier and more vital life. This will involve more focus on awareness-raising and prevention, and our disability and health insurance packages also include integrated solutions to improve prevention, reintegration and claims handling.

Financial sustainability is an area within our focus of providing customers the products and services that meets their needs. We were, for example, the first provider in the Netherlands to successfully launch the 40-year mortgage. We are delighted with the high level of interest being shown in this new product, which gives first-time buyers more scope on the housing market and ties in well with the rising retirement age. We have also launched a platform to promote financial self-sufficiency among women, to better prepare them for possible life events.

Non-life realised an increase in the popularity of its *Vernieuwd Voordeel Pakket*, with sales of this successful product rising 25% to over 70.000 in 2018. Our *Doorgaan* proposition, a combination of occupational disability and health insurance, has also been successful, with well over 52,000 self-employed and entrepreneurs opting for this combined package.

In Pensions, the new premiums of the *Werknemers Pensioen* grew 65% to a total over 85 million euros and the related assets under management have risen to approximately 675 million euros. a.s.r.'s *Werknemers Pensioen* is now firmly in third place on the Dutch market for DC pension transactions.

In the Life business, our capacity to execute is reflected in our track record to complete and integrate acquisitions within the specified period and within budget. The integration of Generali Nederland is on track. In 2019 we will complete the integration of Individual Life. The completion of the integration of Pensions is expected in early 2020.

We are also pleased to see the strong growth of inflow in our mortgage fund. The assets committed for third parties now amount to € 2.3 billion in this fund.

Sustainable business also means that we are committed to continue to deliver our customers a better service. The fact that a.s.r. is doing a good job in this regard is shown by the rise in our Net Promoter Score. The NPS for customers has gone up over the past year from +40 to +42 and for intermediaries from +54 to +60.

a.s.r. is also gaining external recognition for what we are doing. We have strengthened our number one position as a sustainable investor in the Eerlijke Verzekeringswijzer (Dutch Fair Insurance Guide). By pursuing a more sustainable investment policy in terms of employment rights, gender equality and transparency, a.s.r. improved its score and moved further ahead from other insurers. Recently, RobecoSAM announced that a.s.r. is included in the 'Sustainability Yearbook' for 2019 as the largest climber in the DJSI ranking in the insurance industry worldwide.

On our Capital Markets Day, we announced that our total impact investments will increase to 1.2 billion euros by 2021. In this way, we intend to contribute to a more sustainable world for everyone. The first steps to fulfil this objective have already been made, with the announcement of a co-operation with Triodos Bank. The aim of the co-operation is to lend 600 million euros to sustainable businesses, institutions and projects to promote green energy, more sustainable real estate and the health sector. a.s.r. has at the end of 2018 approved a first loan for the financing of 7 wind turbines in the province of Gelderland.

Our investment portfolio remained resilient in 2018. The substantial losses on international stock markets and higher credit spreads only had a limited impact on its value.

a.s.r.'s financial position is sound, and at 197%, our solvency II-ratio remains robust. This is based on the standard formula, taking into account the dividend proposal and the full impact of the forthcoming tax reductions. These reductions will in future have a positive effect on our capital generation, net (operating) profit and dividend. Both the absolute level and the quality of our solvency are high, with Tier 1 capital accounting for 85% of the available capital. Our capital base gives us considerable financial flexibility.

The increase in our operating result and management's confidence for 2019 enables a.s.r. to propose an increased dividend. We are proposing a cash dividend of € 1.74 per share, an increase of 6.7% compared with the previous year. In line with our dividend policy, we will strive to offer our shareholders a stable, moderately rising dividend per share in the long term. The strong ongoing operating performance of the various segments, the disciplined execution of our strategy and our robust capital position make us confident that we can continue to attain the operating results of recent years throughout 2019.

We are pleased with our continued strong results and the successful execution of our strategy. With the new improved targets up to and including 2021 which we announced on our Capital Markets Day in October 2018, we have increased our level of ambition. Our strategy will remain focused on selective profitable growth and strong financial discipline, and the value-over-volume principle will continue to guide all our activities. We will do this in the full conviction that a.s.r. is a company with added value for society at large. This is, after all, our *purpose* as a business.'

Key figures			
(€ million, unless stated otherwise)	**2018**	**2017 restated**	**Delta (%)**
Operating result[1]	742	728	2.0%
Operating return on equity[2]	14.2%	16.0%	-1.8%-p
Net result (on IFRS basis)	655	906	-27.7%
Return on equity	13.7%	21.2%	-7.5%-p
Gross written premiums	4,459	3,921	13.7%
Operating expenses	-601	-570	5.4%
Combined ratio (Non-life segment)	96.5%	95.1%	1.4%-p
New production (Life segment (APE))	119	89	34.2%
	31 Dec. 2018	**31 Dec. 2017**	**Delta (%)**
Total equity	5,479	5,432	0.9%
Total equity attributable to shareholders	4,478	4,432	1.0%
Solvency II-ratio (standard formula) after dividend distribution[3]	197%	196%	1%-p
Financial leverage	26.7%	25.3%	1.5%-p
Cash position holding	394	463	-14.9%
Number of FTEs (internal)	3,683	3,493	5.4%
	2018	**2017**	**Delta (%)**
Operating result per share[4]	3.63	3.53	3.0%
Dividend per share	1.74	1.63	6.7%
Number of subscribed and outstanding shares as at year-end (million)	141.0	141.0	-
Weighted average number of subscribed and outstanding shares (million)	141.0	144.6	-

Further explanation to table

1. The operating result is the pre-tax result, adjusted for (i) incidental investment income (including realised capital gains, impairments and (un)realised changes in value) and (ii) incidental income and expenses unrelated to normal business operations but which for example result from changes in accounting policies, acquisition advisory costs, reorganisation costs, start-up costs and shareholder-related costs.
2. The operating return on equity is calculated by dividing the operating result before tax after deduction of interest on hybrid capital and taxes (tax rate: 25%) by the annual average equity attributable to shareholders after deduction of the reserve for unrealised gains and losses and the equity for real estate development (operations in run-off) and a.s.r. bank.
3. Excluding a.s.r. bank and a.s.r. vermogensbeheer.
4. The operating result per share is calculated by dividing the operating result before tax after deduction of interest on hybrid capital and taxes (tax rate: 25%) by the weighted average number of outstanding shares.

Financial calendar 2019

27 March	2018 Annual Report
9 April	Convocation Annual General Meeting
22 May	Annual General Meeting
24 May	Ex-dividend (final dividend) date
27 May	Dividend record date
29 May	Payment 2018 final dividend
28 August	2019 half-year figures
2 September	Ex-dividend (interim dividend) date
3 September	Dividend record date
6 September	Payment 2019 interim dividend

The figures in this press release have not been audited and no limited review by an auditor has taken place.

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About a.s.r.
ASR Nederland N.V. (a.s.r.) is one of the top three insurance companies in the Netherlands. a.s.r. offers insurance, pension and mortgages to consumers and SMEs. a.s.r. is also active as a fiduciary asset manager. a.s.r. is listed on Euronext Amsterdam and is included in the AEX index. For more information, please visit www.asrnl.com.

This press release contains price-sensitive information and therefore involves inside information within the meaning of Article 7 of the Market Abuse Regulation.

Financial and business performance for 2018

a.s.r. key figures

(in € million, unless stated otherwise)	2018[1]	2017[2]	Delta
Gross written premiums	**4,459**	**3,920**	**13.7%**
- Non-life	3,014	2,579	16.9%
- Life	1,566	1,453	7.8%
- Eliminations	-121	-112	8.4%
Operating expenses	**-601**	**-571**	**5.4%**
- Non-life	-222	-201	10.4%
- Life	-185	-184	0.8%
- Banking and Asset Management	-78	-80	-2.6%
- Distribution and Services	-51	-45	15.0%
- Holding and Other / Eliminations	-60	-57	6.6%
- Real Estate Development	-4	-4	-4.6%
Operating expenses associated with ordinary activities	-567	-546	3.8%
Provision for restructuring expenses	-25	-10	-
Operating result	**742**	**728**	**2.0%**
- Non-life	145	172	-15.6%
- Life	664	633	4.9%
- Banking and Asset Management	16	6	186.3%
- Distribution and Services	25	16	53.0%
- Holding and Other / Eliminations	-108	-99	9.3%
Incidental items (not included in operating result)	**162**	**398**	**-59.3%**
- Investment income	163	338	-51.8%
- Underwriting incidentals	16	33	-52.3%
- Other incidentals	-17	27	-
Profit/(loss) before tax	**904**	**1,126**	**-19.7%**
- Non-life	159	241	-34.1%
- Life	805	931	-13.5%
- Banking and Asset Management	15	4	271.7%
- Distribution and Services	26	16	59.5%
- Holding and Other / Eliminations	-127	-84	51.2%
- Real Estate Development	26	17	47.8%
Income tax expense	-211	-221	-4.4%
Profit/(loss) for the year from continuing operations	693	905	-23.4%
Profit/(loss) for the year from discontinued operations	-36	3	-
Non-controlling interest	-2	-2	-7.2%
Profit/(loss) for the year attributable to holders of equity instruments	**655**	**906**	**-27.7%**
Earnings per share			
Operating result per share (€)	3.63	3.53	2.8%
Dividend per share (€)	1.74	1.63	6.7%
Basic earnings per share on IFRS basis (€)	4.33	6.03	-28.2%
(in € million, unless stated otherwise)	**2018**	**2017**	**Delta**
New business, Life segment (APE)	119	89	33.7%
Combined ratio, Non-life segment	96.5%	95.1%	1.4%-p
Return on equity	13.7%	21.2%	-7.5%-p
Operating return on equity	14.2%	16.0%	-1.8%-p
Number of internal FTEs (as at 31 December)	3,683	3,493	190
Equity and solvency (in € million, unless stated otherwise)	**31 Dec. 2018**	**31 Dec. 2017**	**Delta**
Total assets	59,009	55,405	6.5%
Equity attributable to shareholders	4,478	4,432	1.0%
Total equity (IFRS)	5,479	5,432	0.9%
Solvency II-ratio (standard formula, post proposed dividend) [3]	197%	196%	1.0%-p

Operating result increased € 14 million to € 742 million in 2018, this includes the impact from a heavy storm in January (€ -30 million). The acquired businesses from Generali Nederland contributed circa € 40 million to the operating result, mostly in the Life segment of which € 30 million is sustainable.

The Non-life segment decreased € 27 million to € 145 million, driven by the lower result from P&C business reflecting the effect of large claims from the storm in 2018 and the absence of calamities in the prior year. Outside these larger effects the business showed healthy underlying development. In Disability and Health the operating results remained fairly stable.

The Life segment increased € 31 million to € 664 million, mainly due to higher investment margin from the acquired Life business of Generali Nederland. Technical result remained stable, due to continuing cost awareness as well as additional cost coverage and synergies from the Generali Nederland portfolio.

The operating result of the Bank and Asset Management segment rose € 11 million to € 16 million. The increase of Assets under Management resulted in higher fee income, especially as result of strong inflow in the ASR Hypotheekfonds (mortgage fund). Distribution and Services operating result increased € 8 million to € 25 million in 2018. Operating result of Holding and Other decreased € 9 million to € 108 million, driven by non-recurring items.

Gross written premiums increased € 538 million to € 4,459 million, including the contribution of Generali Nederland (€ 409 million). Gross written premiums in the Non-life segment increased (€ 435 million), which was mainly attributable to Generali Nederland Non-life (€ 314 million) and solid organic growth in each business line. Growth in P&C was driven by sales of 'Vernieuwd Voordeel Pakket' (up 25% from 2017). The increase in gross written premiums in the Life segment (€ 113 million) was mostly due to the inclusion of Generali Nederland Life (€ 95 million). Sales in the Pension DC-product ('WerknemersPensioen') more than offset the decline in Individual Life. Funeral remained stable, excluding one-time single premiums.

Operating expenses increased € 31 million to € 601 million as a result of the additional operating expenses of Generali Nederland (€ 48 million). Excluding the cost base from Generali Nederland operating expenses reduced by € 17 million. The operating expenses associated with ordinary activities, which are part of the operating result, were € 567 million (2017: € 546 million), when excluding the addition of Generali Nederland (impact € 38 million) a decrease of € 17 million. This reduction is due to the completion of projects, efficiency improvements and rationalisation of IT- processes owing to migrations of portfolios to a single a.s.r. platform. In Asset Management, operating expenses increased € 1 million due to higher personnel and license fees, which supports the increasing asset base. The operating expenses of a.s.r. bank were excluded as these activities have been classified as discontinued operations.

The number of **internal FTEs** (including redundancies) increased by 190 (or 5.4%) to 3,683 FTEs at 31 December 2018 (31 December 2017: 3,493 FTEs) due to the acquisition of Generali Nederland (285 internal FTEs). The number of Generali Nederland employees declined as a result of employees who opted for the social plan, staff reductions or internal vacancies fulfilled by former Generali Nederland employees. The largest decline in the number of internal employees was in the Individual Life business reflecting the decline of the portfolio.

Profit before tax was € 904 million (2017: € 1.126 million). Profit before tax in 2017 included an exceptional investment result from the sale of preference shares Unilever. In 2018, declines in financial markets resulted in an increase of impairments. The contribution of other incidental items decreased due to expenses related to the integration of Generali Nederland as well as higher regulatory costs for, amongst others, the implementation of IFRS17/9 legislation.

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[1] *Generali Nederland figures are indicative in connection with the ongoing integration and conversion of portfolios.*

[2] *Comparative figures have been adjusted, mainly related to the discontinued classification of a.s.r. bank. The impact on profit before tax amounts € -2 million, on operating expenses € -14 million and on operating result € -1 million.*

[3] *Excluding a.s.r. bank and a.s.r. vermogensbeheer.*

Operating return on equity amounted to 14.2% and was well above the target of up to 12% (2017: 16.0%). The decline reflects the effect of the increase in the average shareholders' equity (+13%) surpassing the increase of operating result (+2%). IFRS return on equity stood at 13.7% (2017: 21.2%).

The **solvency II-ratio** per 2018 is 197% (2017: 196%) and before the (proposed) dividend amounts 204%. Main factors impacting the SII ratio include the acquisition of Generali Nederland (-9%-point), lower interest rates, the decrease of the UFR to 4.05%, widening of credit spreads and the dividend. The forthcoming tax reductions has been fully incorporated (-6%-point). These effects were more than compensated by, amongst others, organic capital creation, widening of the VA and reduction of market risk.

Medium-term targets

All of the financial targets, valid for the period 2016-2018, have been achieved or have been exceeded in 2018. The table below shows the targets and the performance of a.s.r.

Medium-term targets (2016 – 2018)		
	2018	**Medium-term target**
Solvency II-ratio (standard formula)	197%	> 160%
Operating return on equity	14.2%	up to 12%
Reduction in operating expenses	€ 55 million	€ 50 million
Combined ratio Non-life segment	96.5%	< 97%
Financial leverage	26.7%	< 30%
S&P rating (insurance business)	Single A	Single A

a.s.r. presented renewed medium-term targets (2019-2021) at the Capital Markets Day on 10 October 2018.

Medium-term targets (2019 – 2021)	
Group	
Solvency II-ratio (standard formula)	> 160%
Operating return on equity	12% - 14%
Dividend pay-out ratio	45% - 55%
Organic capital creation (2021)	> € 430 million
Financial leverage	< 35%
S&P rating (insurance business)	Single A
Business	
Non-life combined ratio (excl. Health)	94% - 96%
Non-life gross written premium (excl. Health), annually	3% - 5%
Life operating result, compared to 2017	stable
Life operating expenses (of basic Life provision) (2021)	45 – 55 bps
Combined operating result Asset Management, Distribution and Services (2021)	€ 40 million
Combined operating result Asset Management, Distribution and Services, annual growth	5%
Non-financial targets	
Net promoter score	> 44
Carbon footprint measured of the total investment portfolio	95%
Impacts investments	€ 1.2 billion
Employee contribution to local society (hours), annual growth	+5%

Proposed dividend

Management proposes to shareholders a total cash dividend for the full year 2018 of € 245 million, this amounts to € 1.74 per share. This represents a 6.7% increase compared to € 1.63 per share for 2017. Taking into account the paid interim-dividend of € 0.65 per share, the final dividend will amount to € 1.09 per share.

The increase in dividend is supported by a pay-out ratio of 48% of net operating result attributable to shareholders (i.e. net of hybrid costs). The increase in the pay-out ratio from 45% for the prior year reflects management's confidence in the outlook for 2019. Within the framework of the existing dividend policy, it is management's intention to offer shareholders a stable to slightly growing dividend.

Following the approval of the Annual General Meeting on 22 May 2019, the final dividend will become payable with effect from 29 May 2019. The a.s.r. stock will trade ex-dividend on 24 May 2019.

Non-life segment

Key figures, Non-life segment			
(in € million, unless stated otherwise)	**2018**	**2017**	**Delta**
Gross written premiums	3,014	2,579	16.9%
Operating expenses	-222	-201	10.4%
Provision for restructuring expenses	-14	-2	
Operating result	**145**	**172**	**-15.6%**
Incidental items (not included in operating result)	**14**	**69**	**-79.9%**
- Investment income	16	70	-76.5%
- Underwriting incidentals	12	-	-
- Other incidentals	-14	-1	-
Profit/(loss) before tax	159	241	-34.1%
Profit/(loss) for the year attributable to holders of equity instruments	**132**	**190**	**-30.6%**

	2018	2017	Delta
Combined ratio	**96.5%**	**95.1%**	**1.4%-p**
- Commission ratio	16.3%	14.7%	1.6%-p
- Cost ratio	7.3%	7.6%	-0.3%-p
- Claims ratio	72.9%	72.8%	0.2%-p
Combined ratio			
- P&C	98.4%	95.5%	2.9%-p
- Disability	90.8%	90.9%	-0.1%-p
- Health	99.2%	99.2%	0.0%-p

Operating result decreased € 27 million from € 172 million to € 145 million. This decrease was primarily the result of the January storm (€ -30 million) while the first half year of 2017 was exceptionally strong with a favourable level of claims at P&C with no calamities. Disability showed overall a solid performance. For sickness leave, 2018 was a challenging year as claims rose considerably. Individual disability performed strongly thereby offsetting the impact from sickness leave. Pricing of sickness leave has been raised and will see further adjustments in 2019 in response to recent experience.

The **combined ratio** of the Non-life segment was 96.5% and better than the target of 97%. The increase of 1.4%-point compared to the prior year is driven by the impact from the January storm (1.0%-point). The combined ratio of P&C business rose by 2.9%-point to 98.4% (including 2.6%-point impact from the storm). Besides the impact from larger claims, the underlying regular performance of the portfolio improved slightly. Disability combined ratio remained stable at 90.8%. The Health combined ratio was stable at 99.2%, despite higher claims in the supplementary health insurances.

Gross written premiums rose € 435 million to € 3,014 million. This was driven by organic growth in all product lines: P&C up € 77 million, Health up € 24 million and Disability up € 20 million. Generali Nederland Non-life amounted to € 314 million (P&C € 277 million and Disability € 37 million). In the P&C business the number of '*Vernieuwd Voordeel Pakket*' (a product that combines several insurance coverages) sold continued to increase to over 70,000, up 25% compared to 2017. The growth in the Disability business mainly came through the distribution channel mandated agents, amongst which SuperGarant, for sickness leave and collective occupational disability insurance products. Growth in Health was driven by higher premium income per customer which more than compensated the decline in the number of policyholders in 2018.

Operating expenses for Non-life increased € 21 million to € 222 million. This increase was largely related to the addition of Generali Nederland Non-life (€ 17 million). The remaining part was caused by higher staffing costs and one-off transition costs for the migration of the Europeesche portfolio into the a.s.r. and Ditzo platforms. The migration will have a favourable impact on the future development of the cost ratio. In 2018 the cost ratio improved 0.3% to 7.3%.

Profit for the year for Non-life amounted € 159 million (2017: € 241 million). Last year was positively influenced by a higher level of realised capital gains (€ 33 million) and this year there were more impairments on equities (€ 31 million) due to a less favourable stock market climate.

Life segment

Key figures, Life segment			
(in € million, unless stated otherwise)	**2018**	**2017**	**Delta**
Recurring premiums	1,295	1,243	4.2%
Single premiums	271	210	28.8%
Gross written premiums	1,566	1,453	7.8%
Operating expenses	-185	-184	0.8%
Provision for restructuring expenses	-9	-7	34.3%
Operating result	**664**	**633**	**4.9%**
Incidental items (not included in operating result)	**141**	**298**	**-52.7%**
- Investment income	144	271	-47.1%
- Underwriting Incidentals	4	32	-87.0%
- Other Incidentals	-7	-5	-33.2%
Profit/(loss) before tax	805	931	-13.5%
Profit/(loss) for the year attributable to holders of equity instruments	**569**	**731**	**-22.0%**
Cost/premium ratio (APE)	11.1%	11.0%	0.1%-p
New business (APE)	119	89	33.7%

Operating result rose € 31 million to € 664 million (up 4.9%) mostly due to a higher investment margin (€ +37 million) from the acquired Generali Nederland business. Excluding Generali, direct investment returns remained stable, while required interest decreased (€ 6 million), mostly in the Individual Life book. This was offset by a decrease of the release from the capital gains reserve (€ -8 million).

The **technical result** (including costs) remained reasonably stable (€ -7 million). The lower cost coverage in Life Individual as a consequence of declining portfolio were compensated by the cost coverage of Generali Nederland and by regular cost savings.

The funeral portfolio of Generali Nederland has already been converted to the a.s.r. platform, The Individual Life and Pension portfolios are scheduled for 2019 and 2020 respectively.

Gross written premiums amounted to € 1,566 million (2017: € 1,453 million). Excluding the Generali Nederland's contribution of € 95 million the Life segment increased by € 18 million. The decrease in Individual Life premiums (€ 70 million) was more than compensated by new business in Pensions (€ 68 million) and Funeral (€ 19 million). The growth of Pensions is driven by the '*WerknemersPensioen*', which increased by € 85 million to € 216 million (+65%). There are circa 55,000 active participants (2017: approximately 36,000) with a Defined Contribution pension product. In addition to new customers, this growth is also due to transfers from the existing DB/DC-portfolio. The share of capital light Defined Contribution (DC) pension products in new pension business remained fairly stable at 73% (2017: 77%). The level of surrenders of nominal policies at Individual Life was stable at 0.8% but is still above average. This mainly concerns savings mortgages that are surrendered or transferred because of the persistently low interest rates.

The increase in gross written premiums at Funeral is mainly related to the acquisition of the PC Hooft Uitvaart portfolio, which was transferred to Funeral on 1 October 2018. Underlying the Funeral portfolio decreased slightly due to (un-)natural surrenders.

Operating expenses increased € 1 million to € 185 million. Excluding Generali Nederland (€ 15 million) the operating expenses decreased with € 14 million as a result of the continued execution of migration programs and the phasing out of IT-systems (‘product- and system-rationalisation’). In addition, project- and integration related costs decreased this year.

The size of operating expenses related to the premiums (measured in APE) remained relatively unchanged resulting in a fairly stable **cost-premium ratio** of 11.1% (2017: 11.0%). Life operating expenses expressed in basis points of the basic life provision amounted to 56 bps (2017: 58bps), close to the range set as target for 2019 – 2021.

Profit before tax was € 569 million (2017: € 731 million). Last year’s profit before tax included a higher level of realised capital gains in indirect (incidental) investment results. The decline in the stock market in 2018 resulted in higher level of equity impairments.

Banking and Asset Management segment[4]

Key figures, Banking and Asset Management segment			
(in € millions, unless stated otherwise)	**2018**	**2017 restated**	**Delta**
Assets under Management for third parties (€ bn)	16.0	14.3	9.1%
Operating expenses	-78	-80	-2.6%
Provision for restructuring expenses	-1	-2	-24.2%
Operating result	**16**	**6**	**186.3%**
Incidental items (not included in operating result)	**-1**	**-2**	**23.4%**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-1	-2	23.4%
Profit/(loss) before tax	15	4	-
Tax	-4	-1	-
Profit/(loss) for the year from continuing operations	**11**	**3**	**-**
Profit/(loss) for the year from discontinued operations	**-37**	**3**	**-**
Profit/(loss) for the year attributable to holders of equity instruments	**-26**	**5**	**-**

In the second half of 2018 a.s.r. announced that it planned to sell or discontinue its banking activities, because it no longer classifies as one of its core activities. The financial result from this business is no longer included in a.s.r.'s operating result. At year-end 2018, the Banking and Asset management segment was divided into 'discontinued operations' and 'continuing operations'. Discontinued operations are held for sale. Profit and losses from discontinued operations are disclosed in the income statement in condensed form; they are not included in Profit and Loss before tax from continuing operations. The income statement of previous year 2017 is restated. The net loss for the year of discontinued operations amounting to € -37 million is the result of the 'held for sale' classification of a.s.r. bank.

The **operating result** of the Banking and Asset Management segment increased by € 11 million to € 16 million (2017: € 6 million). The increase is mainly explained by higher external fee income from the ASR Hypotheekfonds (mortgage fund) due to strong inflow of third party assets, and higher assets in the ESG-funds. The real estate funds benefited from higher fee income (€ 4 million) and lower operating expenses (€ 2 million) relative to the prior year caused by costs for setting up the funds.

The share of **assets under management (AuM)** for third parties increased by € 1.7 billion to € 16.0 billion . The increase is driven by inflow in ASR Hypotheekfonds mortgage fund (€ 1.3 billion), the ESG-Funds (€ 0.3 billion) and external inflow at real estate funds (€ 0.2 billion).

[4] The Banking and Asset Management segment involves all banking activities and activities related to asset management, including investment property management. The related entities include ASR Bank N.V. (held for sale and discontinued operations), ASR Hypotheken B.V., ASR Vastgoed Vermogensbeheer B.V., ASR Vermogensbeheer N.V. and ASR Financieringen B.V.

The ESG-Funds, with strict sustainability criteria, were introduced in 2018 in addition to the existing real estate funds.

Payment arrears of more than 90 days on the *WelThuis* portfolio amount to as little as 0.10% (2017: 0.21%). Credit losses amount to 0.80 basis points (2017: 0.44 basis points). The arrears and credit losses remain well below our limits and are supported this year by favourable economic conditions.

Distribution and Services segment[5]

Key figures, Distribution and Services segment			
(in € millions)	**2018**	**2017**	**Delta**
Total income	79	62	26.9%
Operating expenses	-51	-45	15.0%
Provision for restructuring expenses	-	-	-
Operating result	**25**	**16**	**53.0%**
Incidental items (not included in operating result)	**1**	**-**	**-**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	1	-	-
Profit/(loss) before tax	26	16	59.5%
Tax	-6	-4	61.9%
Profit/(loss) for the year attributable to holders of equity instruments	**19**	**12**	**60.3%**

During 2018 the Distribution and Services segment incorporated the distribution and service activities of Generali Nederland. As at 1 May 2018, Generali Nederland’s co-insurance activities were transferred to Corins. SuperGarant expanded its activities in the second half of 2018 (as from 1 July) with the acquisition of ZZP Nederland and ZZP Verzekeringen. a.s.r. strengthened its footprint in the distribution landscape by adding these distribution and services activities, as well as due to the growth in the distribution businesses acquired in earlier years.

The **operating result** of the Distribution and Services segment increased by € 8 million to € 25 million, reflecting the growth of activities in this fee-based segment. The growth of fee income exceeded higher operating expenses (€ 7 million). SuperGarant and especially Dutch ID showed an higher result due to growth of services, transfers and premium increases. In addition, the acquisitions (Generali Nederland distribution activities and ZZP), contributed to the growth of operating result.

[5] The Distribution and Services segment includes the activities related to the distribution of insurance contracts and includes the financial intermediary businesses of PoliService B.V., Van Kampen Groep Holding B.V., Dutch ID B.V., SuperGarant Verzekeringen B.V. (amongst which ZZP Nederland and ZZP Verzekeringen as at 1 July 2018), Corins B.V. and, as at 5 February 2018, ANAC Verzekeringen B.V., ANAC, All-Finance Nederland Advies-Combinatie B.V. and Stoutenburgh Adviesgroep B.V.

Holding and Other segment (including Eliminations)[6]

Key figures, Holding and Other segment / Eliminations			
(in € millions)	**2018**	**2017**	**Delta**
Operating expenses	-60	-57	6.6%
Provision for restructuring expenses	-	-	-
Operating result	**-108**	**-99**	**-9.3%**
Incidental items (not included in operating result)	**-19**	**15**	**-**
- Investment income	3	-2	-
- Underwriting incidentals	-	-	-
- Other incidentals	-22	17	-
Profit/(loss) before tax	-127	-84	-51.2%
Tax	59	38	52.8%
Non-controlling interest	-	1	-
Profit/(loss) for the year attributable to holders of equity instruments	**-68**	**-44**	**-53.5%**

The **operating result** decreased with € 9 million to € -108 million (2017: € -99 million). The decrease is mainly due to the alignment of personnel benefit schemes and other one-time items. This was partly compensated by lower Current Net Service Costs for a.s.r.'s own pension scheme (€ 2 million) due to increased discount rates ultimo 2017.

Operating expenses increased € 4 million to € -60 million.

Incidental items amounted to € -19 million compared to € 15 million in the previous year. The decrease is mainly due to prior year's provision releases and higher incidental costs this year. These relate amongst others to restructuring costs, implementation regulatory costs for project IFRS 17/9 and Generali Nederland integration costs.

These items also impact the development of the **profit before tax,** which decreased from € -84 million to € -127 million.

[6] The 'Holding and Other' segment consists primarily of the holding activities of ASR Nederland N.V. (including the group-related activities), other holding and intermediate holding companies and the activities of ASR Deelnemingen N.V.

Real Estate Development segment[7]

Key figures, Real Estate Development segment			
(in € millions)	**2018**	**2017**	**Delta**
Profit/(loss) for the year from continuing operations	29	14	108.0%
Profit/(loss) attributable to non-controlling interests	2	2	1.8%
Profit/(loss) for the year attributable to holders of equity instruments	**27**	**12**	**126.7%**

a.s.r. does not regard Real Estate Development activities as part of its core business and its result is excluded from the operating result.

In the fourth quarter, a real estate entity (LRC city center in Utrecht), which consists of a shopping center and a parking garage, was transferred to the investment portfolio of the Life segment. A previously formed loss provision was therefore released into the result. With this transaction all properties in LRC were sold from ASR Vastgoed Projecten B.V. perspective. As a result the **profit for the year** increased € 15 million to € 27 million (2017: € 12 million).

The remaining total exposure on the balance sheet has been further reduced and amounts to € 28 million (2017: € 65 million).

[7] The Real Estate Development consists of the activities where property development occurs and includes ASR Vastgoed Projecten B.V. As at 1 January 2017, all activities in the Real Estate Development segment have been classified as continuing.

Capital management

- The solvency II-ratio (standard formula) continues to be robust at 197% (2017: 196%) after proposed dividend and meets our target of above 160%. Solvency II-ratio before proposed dividend amounts to 204%.
- Organic capital creation amounted to € 372 million, which is 10% of the required capital.
- Financial leverage remains at a robust level of 26.7% (2017: 25.3%), well below our maximum threshold of 30%.
- Double leverage was 99.7% (2017: 97.0%).
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 47 million to € 5,479 million.

Solvency II

Solvency II			
(in € millions)	**31 Dec. 2018**	**31 Dec. 2017**	**Delta**
Eligible Own Funds	6,924	6,826	1.4%
Required capital	3,523	3,479	1.3%
Solvency II-ratio (post dividend)	**197%**	**196%**	**1.0%-p**

The **Solvency II ratio** was 197% (2017: 196%). Before the proposed dividend of € 245 million the solvency II-ratio amounts to 204%.

The solvency II-ratio was influenced by organic capital creation (+10%-point after hybrid costs), the impact from financial markets including the benefit from a widening of the volatility adjustment (VA).
This increase was offset by the impact from acquisition of Generali Nederland (-9%-point), the impact of the forthcoming tax reductions (-6%-point) and the adjustment of the UFR (-3%-point) and the dividend (-7%-point).

The **eligible own funds** increased to € 6,924 million at 31 December 2018 (31 December 2017: € 6,826 million). As a result of organic growth, the increased VA, , the acquisition of Generali Nederland and spread tightening on sovereign bonds the eligible own funds increased. These effects were partially offset by a lower UFR, widening of credit spreads, interim and proposed dividend and business developments (non-economic).

The **required capital** stood at € 3,523 million at 31 December 2018 (31 December 2017: € 3,479 million). This increase is mainly due to the acquisition of Generali Nederland and, to a lesser extent, the reduction in the loss-absorbing capacity of deferred taxes as a result of the tax reduction (entire future reduction from 25% to 20.5% is taken). These effects were partially offset as a result of an adjustment to the interest rate hedge programme, the decrease of equity prices and the increase of the VA.

Equity

Breakdown of total equity			
in € millions	31 Dec. 2018	31 Dec. 2017	Delta
Share capital	23	24	-4.1%
Share premium reserve	976	1,018	-4.1%
Unrealised gains and losses	586	869	-32.6%
Actuarial gains and losses (IAS19)	-635	-674	-5.9%
Retained earnings	3,528	3,383	4.2%
Treasury shares	-	-188	100%
Equity attributable to shareholders	4,478	4,432	1.0%
Other equity instruments	1,001	1,001	0.0%
Equity attributable to holders of equity instruments	**5,479**	**5,433**	**0.8%**
Non-controlling interest	-	-1	-
Total equity attributable to shareholders	**5,479**	**5,432**	**0.9%**

Statement of changes in total equity		
in € millions	31 Dec. 2018	31 Dec. 2017
Beginning of reporting period - total equity	**5,432**	**4,471**
Profit / loss for the year	655	906
Unrealised gains and losses	-284	143
Actuarial gains and losses (IAS19)	40	80
Other equity instruments (Tier 1 capital)	-	300
Non-controlling interest	2	9
Dividend	-321	-187
Treasury shares	-	-188
Other changes (e.g. coupon hybrids)	-44	-102
End of reporting period - total equity	**5,479**	**5,432**

Total equity attributable to holders of equity instruments (IFRS-based equity) increased by € 47 million from € 5,432 million to € 5,479 million mainly due to the addition of the net result 2018 of € 655 million. This increase is largely offset by the decline in unrealised revaluations (€ -284 million) as a result of lower equity prices, especially in the second half of 2018 and dividend payments amounting € 321 million (dividend 2017: € 230 million and interim dividend 2018: € 92 million).

Financial leverage

Financial leverage			
(in € millions)	**31 Dec. 2018**	**31 Dec. 2017**	**Delta**
Basis for financial leverage (equity attributable to shareholders)	4,478	4,432	1.0%
Financial liabilities	1,633	1,498	9.0%
of which hybrids	1,001	1,001	0.0%
of which subordinated liabilities	497	497	0.0%
of which senior debt	135	-	-
Financial leverage (%)	**26.7%**	**25.3%**	**1.5%-p**
Interest coverage ratio (IFRS)	**10.9x**	**15.6x**	**-4.7x**

The financial leverage of a.s.r. as of 31 December 2018 increased 1.5%-point and is at a robust level of 26.7% (2017: 25.3%). The increase in financial liabilities (i.e. senior debt) was partly offset by the increase of equity attributable to holders of equity instruments.

The interest coverage ratio decreased 4.7x to 10.9x (2017: 15.6x). The interest costs increased in 2018 mostly as a result of the full year interest payment of the Restricted Tier 1 issued in October 2017 (€ 300 million). In addition to an increase in interest costs, the ratio also declines as a result of a decreased IFRS result in 2018 compared to 2017.

Double leverage

Double leverage			
(in € millions)	**31 Dec. 2018**	**31 Dec. 2017**	**Delta**
Total value of associates	5,959	5,750	3.6%
Equity attributable to shareholders	4,478	4,432	1.0%
Hybrids and subordinated liabilities	1,498	1,498	0.0%
Equity attributable to holders of equity instruments	**5,976**	**5,930**	**0.8%**
Double leverage (%)	**99.7%**	**97.0%**	**2.7%-p**

The double leverage increased 2.7%-point to 99.7% (2017: 97%). The increase is caused by the fact that the shareholders' equity of the participating interests has increased more than the equity of the holding company. Although the difference is reduced by a positive annual result on the holding, the dividends paid in 2018, ASR Nederland N.V.'s share premiums in ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. and a number of other changes such as coupon interest on equity instruments and the actuarial gains related to the a.s.r. pension plan resulted in an increase in double leverage in 2018.

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

Note to the Consolidated and Segmented Income Statement
Comparative figures have been adjusted, mainly related to the discontinued classification of a.s.r. bank.

1. Financial statements

1.1 Consolidated Balance Sheet (before profit appropriation)

(in € millions)	31-dec-18	31 Dec. 2017
Intangible assets	366	333
Property and equipment	172	171
Investment property	1,889	1,597
Associates and joint ventures at equity method	67	45
Investments	27,660	25,681
Investments on behalf of policyholders	7,771	7,684
Loans and receivables	11,083	12,174
Derivatives	2,867	2,527
Deferred tax assets	275	226
Reinsurance contracts	589	546
Other assets	636	672
Cash and cash equivalents	3,782	3,749
Assets held for sale	1,852	-
Total assets	**59,009**	**55,405**
Share capital	23	24
Share premium reserve	976	1,018
Unrealised gains and losses	586	869
Actuarial gains and losses	-635	-674
Retained earnings	3,528	3,383
Treasury shares	-	-188
Total equity attributable to shareholders	**4,478**	**4,432**
Other equity instruments	1,001	1,001
Equity attributable to holders of equity instruments	**5,479**	**5,433**
Non - controlling interests	-	-1
Total equity	**5,479**	**5,432**
Subordinated liabilities	497	497
Liabilities arising from insurance contracts	33,244	31,057
Liabilities arising from insurance contracts on behalf of policyholders	10,222	9,804
Employee benefits	3,327	3,161
Provisions	22	33
Borrowings	39	39
Derivatives	435	403
Deferred tax liabilities	-	-
Due to customers	625	2,184
Due to banks	2,686	2,254
Other liabilities	630	541
Liabilities relating to assets held for sale	1,803	-
Total liabilities	**53,530**	**49,973**
Total liabilities and equity	**59,009**	**55,405**

1.2 Consolidated Income Statement

(in € millions)	2018	2017
Gross written premiums	4,459	3,921
Change in provisions for unearned premiums	34	42
Gross insurance premiums	**4,493**	**3,963**
Reinsurance premiums	-107	-60
Net insurance premiums	**4,386**	**3,903**
Investment income	1,230	1,231
Realised gains and losses	222	416
Fair value gains and losses	60	13
Result on investments on behalf of policyholders	-302	462
Fee and commission income	170	119
Other income	137	182
Share of profit / (loss) of associates and joint ventures	-7	14
Total income	**1,510**	**2,437**
Insurance claims and benefits	-3,576	-3,861
Insurance claims and benefits recovered from reinsurers	42	26
Net insurance claims and benefits	**-3,534**	**-3,835**
Operating expenses	-601	-570
Restructuring provision expenses	-25	-10
Commission expenses	-484	-390
Impairments	-40	25
Interest expense	-203	-177
Other expenses	-105	-257
Total expenses	**-1,458**	**-1,379**
Profit before tax	**904**	**1,126**
Income tax (expense) / gain	-211	-221
Profit after tax from continuing operations	**693**	**905**
Profit (loss) from discontinued operations after tax	-36	3
Profit for the year	**657**	**908**
Attributable to:		
Non-controlling interests	2	2
- Shareholders of the parent	610	872
- Holders of other equity instruments	59	45
- Tax on interest of other equity instruments	-15	-11
Profit attributable to holders of equity instruments	**655**	**906**

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 interest	Total equity
At 1 January 2018	**24**	**1,018**	**869**	**-674**	**3,383**	**-188**	**4,432**	**1,001**	**-1**	**5,432**
Profit for the year	-	-	-	-	655	-	**655**	-	2	**657**
Total other comprehensive income	-	-	-283	39	-	-	**-244**	-	-	**-244**
Total comprehensive income	**-**	**-**	**-283**	**39**	**655**	**-**	**411**	**-**	**2**	**413**
Dividend paid	-	-	-	-	-321	-	**-321**	-	-	**-321**
Discretionary interest on other equity instruments	-	-	-	-	-59	-	**-59**	-	-	**-59**
Tax relating to interest on other equity instruments	-	-	-	-	15	-	**15**	-	-	**15**
Issue of other equity instruments	-	-	-	-	-	-	**-**	-	-	**-**
Increase (decrease) in capital	-1	-42	-	-	-145	188	**-**	-	-	**-**
Cost of issue of other equity instruments	-	-	-	-	-	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-1	-1
At 31 December 2018	**23**	**976**	**586**	**-635**	**3,528**	**-**	**4,478**	**1,001**	**-**	**5,479**
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**
Other	-	-	-	-	-	-	**-**	-	-	**-**
At 31 December 2017	**24**	**1,018**	**869**	**-674**	**3,383**	**-188**	**4,432**	**1,001**	**-1**	**5,432**

1.4 Segmented Balance Sheet

As at 31 December 2018 (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Intangible assets	19	164	8	175	-	-	-	366
Property and equipment	-	148	-	6	18	-	-	172
Investment property	229	1,659	-	-	-	-	1	1,889
Associates and joint ventures at equity method	-	26	-	1	18	21	1	67
Investments	5,139	22,421	1	-	3,055	-	-2,956	27,660
Investments on behalf of policyholders	-	7,771	-	-	-	-	-	7,771
Loans and receivables	333	10,919	24	27	51	12	-283	11,083
Derivatives assets	18	2,850	-	-	-	-	-1	2,867
Deferred tax assets	-	4	-	-2	270	2	1	275
Reinsurance contracts	415	174	-	-	-	-	-	589
Other assets	127	524	-	-	-100	86	-1	636
Cash and cash equivalents	352	2,892	70	46	418	3	1	3,782
Assets held for sale	-	-	1,853	-	-	-	-1	1,852
Total assets	**6,633**	**49,553**	**1,955**	**254**	**3,730**	**124**	**-3,239**	**59,009**
Equity attributable to holders of equity instruments	1,374	4,528	125	184	-749	65	-48	5,479
Non-controlling interests	-	11	-	-	-	-	-11	-
Total equity	**1,374**	**4,539**	**125**	**184**	**-749**	**65**	**-59**	**5,479**
Subordinated liabilities	15	-	-	-	497	-	-15	497
Liabilities arising from insurance contracts	5,027	30,814	-	-	-	-	-2,597	33,244
Liabilities arising from insurance contracts on behalf of policyholders	-	10,222	-	-	-	-	-	10,222
Employee benefits	-	-	-	-	3,327	-	-	3,327
Provisions	-	4	-	-	16	1	1	22
Borrowings	-	31	7	4	222	7	-232	39
Derivatives liabilities	6	429	-	-	-	-	-	435
Deferred tax liabilities	60	-257	2	4	202	3	-14	-
Due to customers	66	861	-	10	-	-	-312	625
Due to banks	13	2,538	-	-	135	-	-	2,686
Other liabilities	71	372	19	51	81	47	-11	630
Liabilities relating to assets held for sale	-	-	1,803	-	-	-	-	1,803
Total liabilities	**5,258**	**45,014**	**1,830**	**70**	**4,479**	**59**	**-3,180**	**53,530**
Total liabilities and equity	**6,633**	**49,553**	**1,955**	**254**	**3,730**	**124**	**-3,239**	**59,009**

1.4 Segmented Balance Sheet (continued)

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, plant 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 assets	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 instruments	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 liabilities	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**

1.5 Segmented Income Statement

2018 (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Gross written premiums	3,014	1,566	-	-	-	-	-121	4,459
Change in provisions for unearned premiums	34	-	-	-	-	-	-	34
Gross insurance premiums	**3,048**	**1,566**	**-**	**-**	**-**	**-**	**-121**	**4,493**
Reinsurance premiums	-99	-7	-	-	-	-	-1	-107
Net insurance premiums	**2,949**	**1,559**	**-**	**-**	**-**	**-**	**-122**	**4,386**
Investment income	115	1,149	6	-	10	3	-53	1,230
Realised gains and losses	27	194	-	-	6	-	-5	222
Fair value gains and losses	26	42	-	-	1	-	-9	60
Result on investments on behalf of policyholders	-	-302	-	-	-	-	-	-302
Fee and commission income	19	2	116	63	-	-	-30	170
Other income	5	22	-	15	3	99	-7	137
Share of profit / (loss) of associates and joint ventures	-	2	-	1	2	-12	-	-7
Total income	**192**	**1,110**	**122**	**79**	**22**	**90**	**-103**	**1,510**
Insurance claims and benefits	-2,258	-1,497	-	-	-	-	179	-3,576
Insurance claims and benefits recovered from reinsurers	43	-1	-	-	-	-	-	42
Net insurance claims and benefits	**-2,215**	**-1,498**	**-**	**-**	**-**	**-**	**179**	**-3,534**
Operating expenses	-222	-185	-78	-51	-111	-4	50	-601
Restructuring provision expenses	-14	-10	-1	-	-	-	-	-25
Commission expenses	-499	-16	-	-	-	-	31	-484
Impairments	-24	-17	-	-	-	-	1	-40
Interest expense	-4	-109	-	-	-18	-4	-68	-203
Other expenses	-3	-30	-27	-2	-8	-56	21	-105
Total expenses	**-767**	**-366**	**-107**	**-53**	**-136**	**-64**	**35**	**-1,458**
Profit before tax	**159**	**805**	**15**	**26**	**-114**	**26**	**-12**	**904**
Income tax (expense) / gain	-27	-236	-4	-6	55	4	3	-211
Net result from discontinued operations	-	-	-37	-	-	-	1	-36
Profit for the year	**132**	**569**	**-26**	**19**	**-59**	**29**	**-8**	**657**
Attributable to:								
- Non-controlling interests	-	-	-	-	-	2	-	2
- Shareholders	132	569	-26	19	-103	27	-8	610
- Holders of other equity instruments	-	-	-	-	59	-	-	59
- Tax on interest of other equity instruments	-	-	-	-	-15	-	-	-15
Profit attributable to holders of equity instruments	**132**	**569**	**-26**	**19**	**-59**	**27**	**-8**	**655**

1.5 Segmented Income Statement (continued)

2017 (in € millions)	Non - life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Real Estate Development	Eliminations	Total
Gross written premiums	2,579	1,453	-	-	-	-	-112	3,921
Change in provisions for unearned premiums	42	-	-	-	-	-	-	42
Gross insurance premiums	**2,622**	**1,453**	**-**	**-**	**-**	**-**	**-112**	**3,963**
Reinsurance premiums	-54	-6	-	-	-	-	-	-60
Net insurance premiums	**2,567**	**1,447**	**-**	**-**	**-**	**-**	**-112**	**3,903**
Investment income	108	1,103	5	-	10	-	5	1,231
Realised gains and losses	72	346	-	-	-	-1	-1	416
Fair value gains and losses	15	-4	-	-	-	-	3	13
Result on investments on behalf of policyholders	-	456	-	-	-	-	6	462
Fee and commission income	23	1	127	49	-	-	-81	119
Other income	3	24	-	13	21	124	-3	182
Share of profit / (loss) of associates and joint ventures	-	-	-	1	1	13	-	14
Total income	**221**	**1,926**	**132**	**62**	**32**	**136**	**-72**	**2,437**
Insurance claims and benefits	-1,973	-1,987	-	-	-	-	98	-3,861
Insurance claims and benefits recovered from reinsurers	29	-2	-	-	-	-	-	26
Net insurance claims and benefits	**-1,944**	**-1,989**	**-**	**-**	**-**	**-**	**98**	**-3,835**
Operating expenses	-201	-184	-80	-45	-104	-4	47	-570
Restructuring provision expenses	-1	-7	-2	-	-	-	-	-10
Commission expenses	-401	-15	-	-	-	-	27	-390
Impairments	9	18	-	-	-1	-	-	25
Interest expense	-4	-95	-	-	-17	-3	-58	-177
Other expenses	-5	-170	-45	-1	3	-111	73	-257
Total expenses	**-603**	**-453**	**-127**	**-46**	**-119**	**-118**	**88**	**-1,379**
Profit before tax	**241**	**931**	**4**	**16**	**-87**	**17**	**3**	**1,126**
Income tax (expense) / gain	-51	-200	-1	-4	39	-3	-1	-221
Net result from discontinued operations	-	-	3	-	-	-	-	3
Profit for the year	**190**	**731**	**5**	**12**	**-47**	**14**	**2**	**908**
Attributable to:								
- Non-controlling interests	-	1	-	-	-	2	-1	2
- Shareholders	190	730	5	12	-81	12	3	872
- Holders of other equity instruments	-	-	-	-	45	-	-	45
- Tax on interest of other equity instruments	-	-	-	-	-11	-	-	-11
Profit attributable to holders of equity instruments	**190**	**730**	**5**	**12**	**-47**	**12**	**3**	**906**

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